

FINANCIAL TIMES

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WEST GERMANY

Absorbing refugees from the East

Page 2

Table with exchange rates for various currencies including US Dollar, Japanese Yen, British Pound, etc.

World News

South Korea makes fresh overtures to Kim Il Sung

South Korean President Roh Tae Woo made a fresh appeal to Kim Il Sung, the North Korean leader, to hold a summit to discuss unification of the divided nation.

Gaza Strip flare-up

Rioters defied an indefinite curfew in a new surge of violence in the Gaza Strip and a Palestinian was shot dead by Israeli troops in the West Bank.

Lebanon poll alert

The Lebanese army was placed on alert in advance of Thursday's parliamentary vote to choose a successor to President Amin Gemayel.

No exit for Lee

Lee Kuan Yew, who recently hinted he might step down as Singapore's Prime Minister and run for President after his 60th birthday in September, said anyone who expected him to bow out of national life altogether "should have their heads examined".

Manila opposition

Philippines Vice-President Salvador Laurel, who has called for the resignation of President Corason Aquino, joined opposition leaders meeting to form a new political alliance.

Angola group meets

A joint military committee met for the first time to discuss monitoring of the ceasefire announced last week between South Africa, Cuba and Angola.

Missile team leaves

A team of 40 Soviet missile experts left West Germany, after inspecting US nuclear weapon sites under last December's Intermediate Range Nuclear Forces (INF) treaty.

SA border fence

The South African army announced plans to erect an electrified fence along a 24km section of the Botswana border to counter alleged guerrilla infiltration.

Business Summary

Ice cream sales help Unilever to soar £391m

SOARING sales of ice cream in the Mediterranean sunbelt helped Unilever, the Anglo-Dutch consumer products group, to a 14 per cent increase in pre-tax profits during the second quarter. Group worldwide profits reached £391m (us\$622m).

Soyabean

SOYABEAN crop in the US faces prospect of further hot weather damage but futures prices, according to one expert, are not expected to surpass

Flots in Kashmir

At least 75 people were injured in pro-Pakistan Independence Day rioting in Srinagar, capital of the Indian state of Jammu and Kashmir. Prime Minister Rajiv Gandhi warned Islamists against aiding Sikh insurgents in Punjab, saying he did not wish to see action that Pakistan would "regret".

early summer high

The Chicago stock market closed at an early summer high, helped by the permissible daily limit of 30 cents. Page 32

K MART, the world's second largest retailer

K MART, the world's second largest retailer, reported record second-quarter sales and earnings, helped by a policy of lowering shelf prices. Page 18

DIS SHOR shares kept after the Cincinnati-based group

DIS SHOR shares kept after the Cincinnati-based group, long a takeover target because of a poor performance by its women's clothing stores, said it might sell all or parts of the group. Page 18

CONTINUOUS trading in a variety of West German government bonds

CONTINUOUS trading in a variety of West German government bonds should begin on the country's eight stock exchanges from October 1, brought forward from January next year. Page 30

ZIMBABWE'S state-owned insurance corporation has taken over the British-owned Legal and General Assurance company in Zimbabwe

ZIMBABWE'S state-owned insurance corporation has taken over the British-owned Legal and General Assurance company in Zimbabwe - the country's second-largest life assurance company. Page 20

Blue Nile threatens new Khartoum flooding

By Julian Ozanne in Khartoum

FURTHER SERIOUS flooding of the Sudanese capital of Khartoum is expected later this month as the Blue Nile continues to rise, threatening to burst its banks and engulf whole suburbs to the south and north of the city. As emergency relief supplies begin to trickle through to the estimated 1.5m people left homeless and starving after last week's torrential downpours, health workers fear that epidemics of diarrhoea, cholera, pneumonia, typhoid and malaria may break out in the city.

Water is still pouring into the river from rains in Ethiopia and through the open sluice gates of the Senna and Roserries dams south of Khartoum.

The water level in the White Nile is also rising as the Blue Nile is flowing much faster than usual and forcing the water of the White Nile back upstream from the point where the two rivers meet north of Khartoum.

Tuti Island stands at the confluence of the two rivers and is likely to be first hit by the floods. Already 10 per cent of its two square kilometres are under water. Residents have refused for years to allow the Government to build a bridge between the island and the city, to prevent the spread of what they see as the bad habits of Khartoum.

They are resisting government attempts to evacuate them because they say there is nowhere else to go. A 4ft wall of sandbags and sticks has been built around the island in what many experts in Khartoum say is a futile effort to stem the floods.

Supplies of tents, plastic sheets, blankets and basic medical supplies are slowly reaching the people in the decimated shanty towns of Khartoum North and Omdurman. Supplies of food are still scarce, however. The Red Cross said yesterday that 2,000 tonnes of flour and wheat were stuck at Port Sudan.

As many as 200 lorries are said to be blocked because drivers are unwilling to risk travelling the banked road from the city to the port, which has been breached in several places to let water flow through. The army has also begun stepping up its relief operation but it clearly lacks the organisational ability to make much impact.

Clean water is almost non-existent and if available is prohibitively expensive for the slum-dwellers. In the city, shops have been stripped bare.

The first convoy of supplies arrived at the weekend. Ninety tons of powdered milk, 140 bags of flour, 70 tons and 28 bags of beans were distributed between 100,000 people. Tents are being put into a lottery and families of 15 each given a 1kg bag of flour.

Veiled Soviet warning to Pakistan over aid for Afghan rebels

By John Lloyd in Moscow

THE SOVIET Government yesterday issued a barely veiled threat of increased military intervention in Afghanistan if Pakistan failed to "abide by its own specific commitments on non-interference in that country's affairs" under the Geneva accords aimed at settling the nine-year war. The threat, in a lengthy statement put out by Tass, the official Soviet news agency last night, came as another rocket attack on Kabul killed six more Afghan civilians. The attack was made just as the President Najibullah of Afghanistan was telling reporters in Kabul that the Afghan army had beaten the provincial capital of Kunduz, held by rebels for several days after the withdrawal of the Soviet army.

At the same time, Tass reported that rebels had captured the Shakardar district, only 40km from Kabul. The agency said that "according to reports monitored here, these groups have in their possession 1,500 rockets for bombarding the Afghan capital".

At a press conference in Moscow, Mr Abdul Wakil, the Afghan Foreign Minister, said that his and the Soviet government would take "appropriate measures" if the attacks continued. He refused to be specific. "The delivery of large consignments of weapons, including heavy weapons, the sending of armed elements and foreign instructors across the border are continuing... the violation by Pakistan of its commitments under the Geneva accords also finds expression in the direct encouragement of the Afghan opposition [and] to overthrowing the legitimate Government of Afghanistan."

"It is with the direct support by the Pakistani authorities that the 'alliance of seven' (rebel groups) set up, in the city of Peshawar, the so-called 'Transitional Government' of Afghanistan."

It said the actions of Pakistan were "a crude violation of Article Two of the agreement between Afghanistan and Pakistan on the principles of mutual relations, in particular non-interference and the renunciation of intervention". The statement then warned that these breaches "cannot be further tolerated (and that) the Soviet Union, reserves for itself... the right to take such measures that are necessitated by the situation". The statement came on the day when the Soviet Union

Republican right moves to make its voice heard

By Lionel Barber in New Orleans

CONSERVATIVES in the Republican Party may not be the force they once were in US politics, but in New Orleans, where the Republicans' pre-election convention opened yesterday, they are mounting a determined comeback on the air waves.

On issues such as abortion, school prayer, capital punishment and a need for conservative vice-presidential running mate, the hard Republican right is making its voice heard. It is a little uncomfortable for Mr George Bush, the party's certain presidential nominee.



George Bush

The influence of the once-feared moral majority has declined. The Rev Pat Robertson's presidential bid evaporated this year after an initial surge - and a series of sex scandals has undermined the fundamentalist right's claim to speak for the majority.

Mr Humphrey's latest objection is to a change in convention procedure proposed by the rules committee which would prevent a roll call if, as planned, only one vice-presidential candidate was placed in nomination.

Mr Humphrey said: "This is supposed to be the Republican National Convention not a meeting of the Soviet Party Congress." The Bush campaign dismisses such criticism. After all, the Democrats nominated Senator Lloyd Bentsen of Texas as their vice-president by acclamation, thus shutting down any rival challenge by the Rev Jesse Jackson in Atlanta.

Pleasurama insider deal 'a well-organised plan'

By Clive Wolman in London

THE PURCHASE of 15,000 shares in Pleasurama which led to the resignation or sacking on Friday of three investment banking employees on suspicion of insider dealing appears to have been the product of a well-organised arrangement, rather than of casual conversations between friends. The agency, which helps provide finance for US exporters, has exhausted its capacity to authorise new long-term loans in the current financial year, which ends on October 1.

Ms Rowlands was not employed on the Mecca account and was not informed of the proposed bid by any of those working on it. Although she worked in an open-plan office, Samuel Montagu executives have concluded that it is unlikely that she passively overheard a telephone conversation referring to the bid involving one of her fellow junior employees.

The bid preparations were discussed only behind closed doors in offices of the more senior executives, they say. Continued on Page 16

Eximbank hit by export surge

By Nancy Dunne in Washington

THE RECENT SURGE in US manufactured exports resulting from the weaker US dollar has caused problems for the US Export-Import Bank. The agency, which helps provide finance for US exporters, has exhausted its capacity to authorise new long-term loans in the current financial year, which ends on October 1.

Mr John Bohn, Eximbank chairman, has warned that applications for loans, combined with the \$688m approved so far this year, substantially exceeded the loan authority of \$692.9m. As a result, he said, Eximbank will only be able to authorise relatively small medium-term loans in its direct loan programme.

A shift away from export financing by commercial bank lenders has complicated the problem for US exporters. "While we realise that the suspension of new long-term loans could result in the delay or even the loss of US exports, we hope that the impact will be limited," Mr Bohn said at the end of last week. "Eximbank, like other agencies, has to live within its budget limitations."

MARKETS

Table with market data including Tokyo SE Volume, Sterling, Stock Indices, and Interest Rates.

CONTENTS

Table of contents listing various articles such as Iran must come to terms with peace, Eximbank hit by export surge, and SAA.

SAA The No.1 choice. Advertisement for South African Airways featuring an image of an aircraft and the SAA logo.

SAA. We measure the miles by your smiles. Advertisement for South African Airways with detailed flight information and contact details.

AMERICAN NEWS

Mexican unions accept extended economic plan

By David Gardner in Mexico City

MEXICO'S pro-government trade union leadership has agreed to a three-month renewal of the country's stabilization plan with no wage rises, accepting instead tax cuts and a private-sector commitment to lower prices.

phase of the pact, value added tax will be lifted on processed foods and medicines, and income tax will be cut by 30 per cent for those on less than four times the minimum wage of around \$3.55 a day.

What should be the final phase of last month's hotly disputed elections opened yesterday when the newly elected Congress began sitting as the Electoral College, with the job of ratifying the results.

Opposition protests across the country preceded this historic session of Mexico's lower house, and were due to continue yesterday with rallies outside Congress.

The current configuration of the new Congress gives the ruling Institutional Revolutionary Party (PRI) a slim majority of 247 against 227 for the combined opposition, divided between 132 for the broad left National Democratic Front (FDN) led by Mr Cuauhtemoc Cárdenas and 95 for the right-wing National Action Party (PAN).

A further 26 seats will have to be apportioned by the Electoral College as its first task, since neither the Electoral Tribunal nor the government-dominated Federal Electoral Commission could agree on who had won them.

Brazil's finance minister faces row on budget cuts

By Ivo Dawson in Sao Paulo

BRAZIL'S embattled Finance Minister, Mr Mairson de Nobrega, was yesterday putting the final touches to an austere 1989 budget that looks certain to provoke a new confrontation with his government colleagues.

Widespread leaks of the draft report of drastic reduction in federal expenditure - this year estimated at \$40bn (\$23.5bn) - by almost 10 per cent through cuts in programmes and subsidies and even possible dismissals of civil servants. Tax rises are also predicted.

\$5.5bn foreign debt rescheduling package with commercial bank creditors, to reduce the public sector deficit to 2 per cent of Gross Domestic Product next year.

But the scale of the cuts is thought certain to provoke strong resistance from some senior ministers.

President José Sarney is to examine the budget plan on Thursday. If approval is then reached in the Cabinet, the proposals must proceed to Congress, soon to be equipped under the new constitution with greater powers to amend or throw out the Government's draft.

Drexel employees made big profit on Boesky deal

By Rodrick Oram in New York

A GROUP of employees of Drexel Burnham Lambert, the Wall Street securities firm, profited handsomely from their investment in one of Mr Ivan Boesky's main companies during his heyday as a speculator in takeover stocks.

The group, including Mr Michael Milken, the controversial head of Drexel's Beverly Hills junk bond operations, invested \$1m in Seemala Corp. It received \$3m when Mr Boesky wound up the company in 1986 after he was convicted of insider trading, according to public records.

Mr Steven Alexander, a Drexel spokesman, said the investment had been made with the full knowledge and approval of Drexel's management.

The company considered the investment no different or less appropriate than others made by a number of major institutional investors in Mr Boesky's arbitrage business.

Drexel stressed that the investment was made on economic grounds and was passive, with the group members having no knowledge of the stocks in which Mr Boesky speculated.

Some stocks, though, were targets of raiders financed by Mr Milken's junk bond operations or were companies about which Drexel had valuable inside information.

Other Wall Street firms generally have specific guidelines barring employees from investing in securities so closely connected with their businesses.

The investment was proposed to the Drexel group by Fried Frank Harris Shriver and Jacobson, a law firm representing Mr Boesky.

He had considered winding up Seemala to cut his tax liability on trading profits.

To do so, he required another investor in the company.

Debt casts shadow on Latin America polls

Robert Graham reports on the likely electoral impact of a backlash against austerity

THE GUEST list at the inauguration last Thursday of Mr Rodrigo Borja, the new Ecuadorean president, read like a Who's Who of Latin America.

This produced near-farce on occasions with Mr George Shultz, the US Secretary of State, consciously side-stepping proximity to Dr Fidel Castro, the Cuban leader, and with President Daniel Ortega of Nicaragua being treated as a tourist until Mr Borja was installed and diplomatic relations were promptly re-established with Nicaragua.

Unfortunately, such incidents tended to grab the limelight, obscuring the significance of the occasion. Not for many years have so many prominent leaders of differing political persuasions gathered together in the same place. The guests may not have found everyone to their liking, but it marks a new sense of tolerance and a welcome indication that ideological positions are being softened both on the left and right.

There is, however, a more important aspect to the advent of Mr Borja. His election was the first in a series of electoral contests throughout the region whose results will in large measure be determined by the track record of governments in dealing with the debt crisis. Since the onset of the debt crisis, economic issues have been

the principal preoccupation of governments while economic policies (or lack of them) have been the principal cause of popular discontent.

The trend of opinion polls and electoral results in Latin America indicates a substantial popular backlash against austerity policies. This is especially so where governments have been seen to be too closely identified with a combination of the Reagan Administration and the International Monetary Fund.

In Ecuador for instance, the outgoing centre-right government of Mr Leon Febres Cordero saw its popularity heavily eroded by adherence to IMF imposed economic programmes and what critics called "craven" support for President Reagan's policies.

A more extreme instance is that of Mr Edward Seaga, the Jamaican Prime Minister. He has been an exceptionally loyal US ally, and has relentlessly pursued orthodox austerity policies to cope with declining commodity prices and debt service.

Although he has turned round the economy with considerable success, he is trailing in the opinion polls and seems likely to lose elections, due in November, to his long time rival, Mr Michael Manley. The latter's return is predicted despite the economic chaos and political violence that sur-



Rodrigo Borja: circumspect over the economy

rounded his final days in office in 1982.

Discontent over the effects of austerity played a part in the swing against the government in July's presidential elections in Mexico. Similar sentiments in Argentina and Brazil explain in large measure the declining popularity of the Alfonsín and Sarney governments. The poor track record of the Alfonsín government is the biggest single factor behind the erosion of support for the ruling Radical Party and the growing confidence of the

opposition Peronists who look likely to win next year's presidential elections.

By the same token, opposition groupings in the Big Three countries of the continent - Argentina, Brazil and Mexico - have gained ground by espousing more nationalistic and unconventional economic policies.

Does this mean that a new crop of Latin American regimes which are antagonistic both to the US and to the established views of institutions like the Fund, are about to emerge?

Undoubtedly, governments will be elected on such a ticket. It happened in Ecuador and could happen for the Peronists in Argentina. But this does not necessarily mean the performance of these governments will match their rhetoric. The room for manoeuvre is limited and a new mood of realism is producing an increasingly common thread in economic policy that embraces an acceptance of a lesser state role, the need to promote exports, the introduction of fiscal reform, and greater stimulus for foreign investment.

Latin American politicians are acutely conscious that Peru, one country which has sought to make a virtue out of restricted debt payments and "heterodox" economic policies,

has proved less than luminary. Indeed, the failure of President Alan García to tackle Peru's economic problems has exposed the dangers of believing in simple nationalistic solutions to the debt crisis. It has also encouraged a conservative backlash which could out the radical nationalist APRA Party in the 1990 presidential elections.

All these events are carefully monitored and commented upon within Latin America to an unprecedented degree so that what happens in one country has a much broader influence. In this climate, it is significant that the new Ecuadorean president has been notably circumspect in outlining his economic strategy; existing oil exploration contracts with foreign companies will be respected; a new deal will be sought with the country's creditors but not through confrontation; and while disagreeing with aspects of US foreign policy, President Borja wants a proper working relationship.

If this proves the case, and the experience is repeated, it suggests that change in government need not be feared as heralding widely differing policies. The differences will be of degree and emphasis rather than substance, with the most significant factor being that political parties can democratically alternate in power.

US production ahead in July

By Nancy Dunne in Washington

US industrial production in July rose a seasonally adjusted 0.8 per cent, the Federal Reserve Board said yesterday, AP-DJ reports from Washington.

The increase, which was above expectations, was led by a strong increase in the output of materials, which rose an adjusted 1.2 per cent after rising 0.4 per cent last month.

The July increase followed a unrevised rise of 0.4 per cent in June and a unrevised rise of 0.5 per cent in May.

The Fed's index of the output of the nation's factories, utilities and mines stood last month at 137.7 per cent of the 1977 average, up 5.4 per cent from a year earlier.

Manufacturing production last month increased 0.8 per cent after rising 0.2 per cent in the previous month.

World Bank boost divides Democrats

By Nancy Dunne in Washington

CONGRESSIONAL approval of the \$75bn (\$44bn) World Bank general capital increase (GCI) has become mired in a dispute among US Democrats who want the bank to make headway in providing debt relief to Third World debtors.

At the centre of the dispute is concern by some influential House Democrats about the World Bank's sectoral lending - now 25 per cent of its loans - which they believe is used by debtor countries for debt service and is thus an indirect bail-out of the commercial banks.

The House Banking Committee has yet to approve the US share of paid-in capital - \$70.1m over the next six years - and plans to hold a vote on the measure collapsed last week when Democrats could

not agree on strategy.

The nation's economic establishment, led by Mr Paul Volcker, several former Treasury secretaries and the three ex-US presidents, have all urged approval of the US share this year before momentum for the increase is lost.

Mr John LaFalce, a member of the House Banking Committee, is urging approval this year when a Republican administration, strongly backing the GCI, would lobby for Republican votes on the measure. Many conservative Republicans oppose the increase, which they consider to be foreign aid.

Should they join forces with Democrats, who want to impose some big debt relief scheme on the bank, the measure may be impossible to pass

next year. In that case, the US voting share would fall from just over 18 per cent to about 11 per cent and the US would lose its veto over major policy decisions.

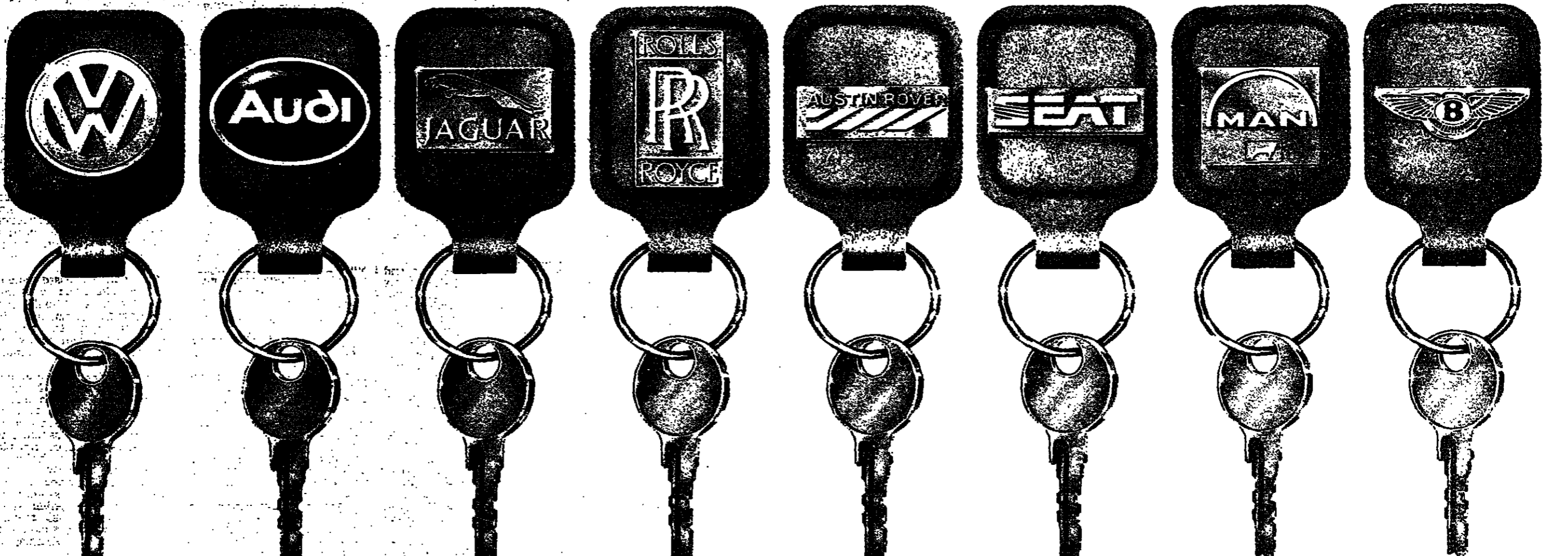
Mr LaFalce has attached an amendment to a subcommittee bill approving the GCI which would cap US backing for sectoral or structural adjustment lending at 25 per cent. "If you look at the aggregate amount being spent in each particular country for development purposes and you look at the aggregate amount spent for debt service... it is inescapable to conclude that this money is going for debt service," he said.

Mr LaFalce and Congressman Walter Fauntroy, chairman of a banking subcommittee,

both hope the GCI will pass, with amendments this year, but acknowledge that it can only happen if it is wrapped in a larger appropriations bill or a giant "continuing resolution" to give it "cover" from its opponents.

If this legislative tangle is to be resolved, some sort of compromise must be reached with Treasury support. Mr James Baker, the Treasury Secretary, has not been able to produce a compromise, but his successor, Mr Nicholas Brady, may be able to.

"If the US doesn't approve the GCI, we are looking at the cessation of the World Bank as we've come to know it, and the end of US leadership in world economic matters," Mr LaFalce said.



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August 16, 1988

UK NEWS

Importers claim bigger slice of car sales boom

By John Griffiths
A RECORD 300,000-plus new cars have been sold in Britain during the first 10 days of August...

The boom, however, is being accompanied by an unprecedented surge in imports at a time when increasing concern is being voiced about the UK's growing trade deficit...

In Brief
Rolls-Royce wins £20m BA repair contract

Rolls Royce has won a five-year contract to repair and overhaul the Spey engines which power British Airways' fleet of BAC 1-11 short-haul aircraft...

Miners vote for strike
Five hundred workers at the Rutherford opencast mine in Morpeth, Northumberland...

NUT attacks Baker
More than a quarter of the £214m allocated by the Government for in-service teacher training for 1989-90 will be set aside to prepare teachers for reforms in education...

£50m deal for sub lift
An order worth £50m to supply shiplifting equipment for the Faslane submarine base on the Clyde has been won by Northern Engineering Industries...

Postal union threatens disruption next week

By Michael Smith, Labour Staff
POST OFFICE workers may start industrial action by the middle of next week if no progress is made in talks on pay supplements for new staff...

Scrap merger agreed

United Engineering Steels (UES), Sheffield-based special steels maker and the J Saville Gordon Group are merging their ferrous scrap businesses into a joint venture company...

British farmers rear golden fleece

By Alice Rawsthorn

THE HUMBLE British sheep - or, rather, its fleece - has joined the ranks of great British exports. When compared with the enormous flocks of Australia and New Zealand, the British flock is a small player in the world market for wool...

UK managers buy New York Dzus fastener group for £6.5m

By Clare Pearson

DZUS Fastener Company, the New York-based family concern, is being bought out by the management of its UK subsidiary in a £6.5m deal. The move reflects the UK operation's dominant role within the group...

Castleforth Fund Managers, the venture capital company, which was also subject of a management buy-out from stockbrokers CL-Alexander's, Laing & Crutchfield...

Bank offers interest rate 'hedge'

By David Barchard

NATIONAL WESTMINSTER Bank has launched a new fixed interest rate lending scheme aimed at medium-sized companies wanting to hedge against short-term changes in the bank's base rate...

Bank offers interest rate 'hedge' (continued)
The beauty of this new product is that it enables a borrower to lock into a fixed forward price. It controls costs and gives protection against sudden swings in cashflow...

Business school planned for Birmingham

By Richard Tomkins, Midlands Correspondent

THE UNIVERSITY of Birmingham is to set up a Birmingham Business School to give its business studies courses a higher profile and widen their range. The school will become the third in the area...

Belfast yard secures flexible work deal

By Our Belfast Correspondent

HARLAND and Wolff, the Belfast shipbuilders, said yesterday that it had concluded a two-year productivity deal providing it with some of the most efficient and flexible working arrangements in Europe...

Mr John Parker, company chairman, described the agreement as a breakthrough in productivity initiatives which would further enhance the yard's competitiveness and ability to secure future orders...

The Government is studying the costings for the project and is also negotiating the possible sale of the yard with Mr Tihoo.

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Handwritten text: JPK 10/1/88

UK NEWS

IRA fights the propaganda war

Kieran Cooke reports on a deadly change in guerrilla tactics

THE IRISH Republican Army likes to carry out its deadly campaign in short, sharp bursts of activity. The security forces have learned to read the signals. For weeks, maybe months, all is relatively quiet. Then, suddenly, the bombs and bullets are unleashed and the deaths mount. Afterwards, the IRA goes to ground again.

This tactic has been repeated, with devastating effect, several times in recent weeks. An army barracks in London was blown up, killing one soldier. Three off-duty Royal Air Force men were shot dead in Holland. There have been "bait" attacks on army targets in West Germany and last weekend, a soldier going to Britain, on leave from his base in West Germany, was shot dead at point-blank range while waiting at a traffic light in Ostend, Belgium.

The IRA is acutely aware of the propaganda value of such attacks. The image of the IRA as a wide-ranging, hydra-headed organisation, capable of striking at targets anywhere, at any time, is reinforced.

Attacks and murders of military personnel in Britain or on the continent make bigger headlines and more publicity than the almost daily toll of shooting, bombing and killing in Northern Ireland itself. But perhaps most importantly from the IRA's point of view, the attacks of recent weeks bolster its position among sympathisers back in Northern Ireland.

Morale within the Republican movement was at an all-time low earlier this year. Last May eight IRA "volunteers" were shot dead by the Special Air Service (SAS), an elite military unit, while attacking a remote police station at Loughall in Northern Ireland. It was the biggest loss of life the IRA has suffered since the Irish civil war of the early 1920s.

In March, three IRA members were shot again by the SAS, while planning a military bombing in Gibraltar.

The IRA is a tightly-knit, cellular organisation with only about 50 or 60 full-time members. In the past 18 months it has lost more than 20 "volunteers," many of them highly-experienced in guerrilla warfare.

There has also been a series of botched operations, including the bombing at Enniskillen last November in which 11 civilians were killed, and the murder of a family of three on the main Belfast to Dublin road last month.

Mr Gerry Adams, the leader of Sinn Fein, the IRA's political

wing, said the organisation had to "put its house in order" or "confidence in the IRA's ability to pursue its war in a proper way" would evaporate.

The IRA now believes it has transformed the situation. This year, the IRA has killed 13 regular army soldiers in Northern Ireland and 10 members of the Ulster Defence Regiment (UDR), a part-time military force. This compares to three army and 13 UDR deaths in the whole of last year. There have also been the military deaths on the Continent and the soldier killed in the bombing at Inglis barracks in London - the first successful IRA strike on the British mainland since the Brighton hotel bombing in 1984.

Mr Martin McGuinness, one of the leading figures in Sinn Fein, said last weekend that IRA violence was "the only voice the British understand."

Others, including Northern Ireland politicians firmly opposed to the IRA, say the organisation is "winning the war."

Mr Ken Maginnis, a Unionist MP, has again demanded selective internment for known IRA members and their sympathisers. "A war is not won by the number of opposing forces killed, but by the extent to which the enemy can be denied



Devastation of a Belfast pub, destroyed by an IRA bomb blast

Manchester Canal shares suspended after buyout move

By Ian Hamilton Fazey, Northern Correspondent

MR JOHN WHITTAKER, who controls the Manchester Ship Canal Company (MSC), yesterday attempted to buy out the rest of the company's shareholders for £54.6m, but was repulsed by Mr Nicholas Berry, the former MSC chairman, who leads them.

MSC shares were suspended yesterday after it was told that discussions were taking place that might lead to an offer for the company.

Mr Berry revealed from his holiday home in central France that the bidder was Great Hey Investments, Mr Whittaker's own company already owns 43 per cent of MSC ordinary shares and 80 per cent of the preference shares. Great Hey has at least 57 per cent of the voting rights by virtue of MSC's complicated weighted voting structure.

The offer was £20.70 for each ordinary share and £9.30 for each preference share, valuing the company at £120m. The prices at the time of suspension yesterday were £15 and £4.50 respectively, giving a market capitalisation of only £78m.

In spite of the premiums offered, the bid has been rejected outright by the minority shareholders, including Mr Berry himself, the Harrap publishing group - which he chairs - Prudential Assurance, Globe Investment Trust, the Water Authorities Pension Fund, the Carroll Group and the Smaller Shareholders Protection Association, which represents about 1,000 people.

Mr Berry said that a planning decision was likely soon for a 1m sq ft retail complex on 300 acres of MSC land at Barton Dock, within the Trafford Park Development Corporation boundary and adjacent to an extensive motorway network in the north-west of England.

The minority shareholders believe that if this was approved, about £150m would be added to the value of the company and the ordinary shares would be worth as much as £50 each.

Mr Berry said that the institutions would sell only to Mr Whittaker now if a share warrant were issued guaranteeing them more money later if the Barton Dock development went ahead.

Mr Whittaker won control last year after a bitter, nine-month takeover battle.

Coca Cola refuses union recognition

By Philip Bassett Labour Editor

COCA-COLA has told the TGWU transport workers union that it is not granting it recognition at two new distribution depots, which are at the centre of the industrial action now taking place against the company.

TGWU leaders believe this means that Coca-Cola and Schweppes Beverages, the joint UK-US soft drinks company, may be set on one of two courses. It may intend to operate the two new plants without trade unions - even though the rest of the company is unionised - or to do so only on the basis of a single-union agreement with a tight no-strike clause.

The AEU engineering union has signed a no-strike clause for the company's 950m bottling plant at Wakenfield, West Yorkshire.

The TGWU said last night that Coca-Cola had made it clear that it does not intend to include the two new depots at Enfield and Northampton within the long-standing national agreements on terms and conditions.

It added that the company was not granting recognition to the TGWU for the two sites, even though the union claims to represent 90 per cent of the company's employees.

Mr Brian Revell, TGWU acting food and drink national officer, who has been carrying out detailed talks with the company, said that while the company had stated that it would prefer to deal with the TGWU at the two new depots planned for next year, Coca-Cola managers had made it clear that it would only be on the company's terms. These are likely to be unacceptable to the TGWU.

The transport union said that it would be maintaining its industrial action.

Mr "Eddie" Haigh, TGWU assistant general secretary, said that while he hoped the issue would not go to a full Trades Union Congress inter-union dispute adjudication, he thought it would be foolish to think there was no possibility of that.

Editorial comment, Page 14

One of Germany's contributions to uniting the nations.



 Lufthansa

De Savary group bids for Devon shipyard

By Kevin Brown, Transport Correspondent

MR PETER de Savary's maritime industries group, Highland Participants, emerged yesterday as the probable purchaser of British Shipbuilders' Appledore yard, in north Devon.

The Department of Trade and Industry (DTI) said Highland was one of two companies which had made a detailed offer for Appledore. The shipyard is being sold as part of the break-up and privatisation of British Shipbuilders.

The other company is Langham Industries, a Dorchester-based company which manufactures marine propellers, aerospace parts and other engineering equipment.

British Shipbuilders and the DTI said preference will be given to bidders with shipyard experience.

Highland has a substantial ship repair yard at Falmouth Docks, Cornwall, which it plans to operate in tandem with Appledore.

Ministers are believed to have been impressed by Highland's success in turning round the Falmouth yard, which was losing around £100,000 a month when it was acquired in October.

The yard is now thought to be making profits of around £100,000 a month, and the workforce has doubled to more than 700.

Mr de Savary said the two yards would benefit from substantial economies of scale under common ownership.

The acquisition of Appledore would also ease a shortage of skilled labour in Falmouth, where Highland has had to bring in experienced workers from the north east to fill vacancies.

The Appledore bid follows a hectic six months for Mr de Savary during which his three main vehicles, Highland, Land Leisure and the Littlecote group, have been completing a chain of acquisitions.

Seamen's union regains assets

By Charles Leadbeater

THE FINAL act in the Dover seafarers' dispute, which started in the first week of February over plans by P&O, the ferry company, to change working practices, was perhaps played out yesterday when the National Union of Seamen regained control of its assets.

The assets, worth about £2.8m, were sequestered on May 3 after a series of legal actions brought by P&O, and its main competitor Sealink, over the union's illegal secondary action in support of the Dover strikers.

The union was found in contempt for ignoring earlier injunctions banning it from secondary action.

Mr Justice Michael Davies, ordered on July 25 that the assets should be returned after three weeks' "probation".

The true costs of the dispute are yet to be counted. The union owes about £1m in court fines, and legal costs. It has investments worth £1.43m, about £1.15m in land and buildings, with about £150,000 in vehicles, fixtures and fittings.

At the end of the week P&O is likely to have its fleet of 11 Dover ferries back in service, with the relaunch of its Dover to Boulogne sailings.

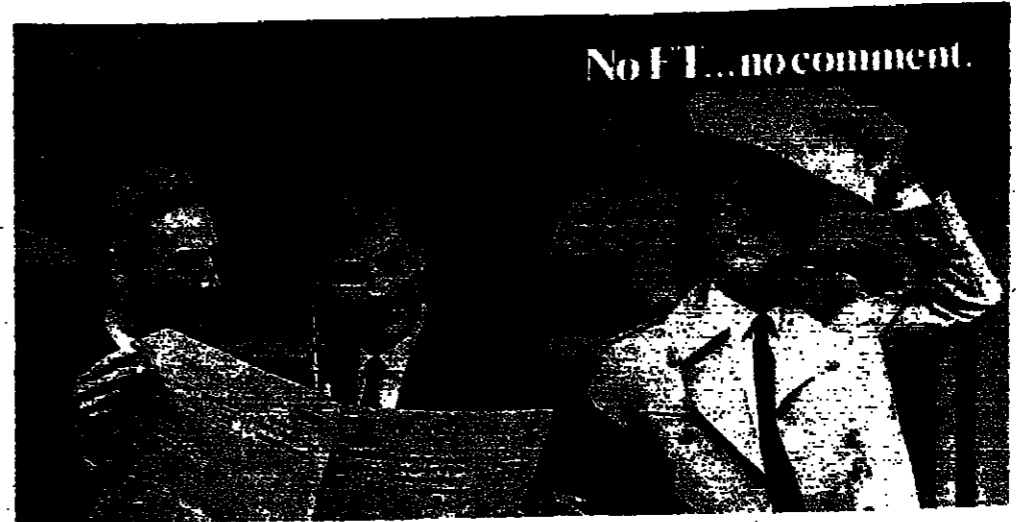
The company's half-year results, due in mid-September, will reveal the impact of the dispute on its revenues.

Yet even after seven months of industrial trench warfare, there seems to be little prospect of even a limited reconciliation.

The company said it had no plans to offer redundancy payments to those it dismissed. Union officials said the dispute would continue, even though a TUC hardship fund has collected only a third of its target of £1m.

Paradoxically the return of the NUS assets may herald the union's final demise. The sequestration delayed a ballot on whether the union should take part in a merger.

FT...comment 1981-1988



1981

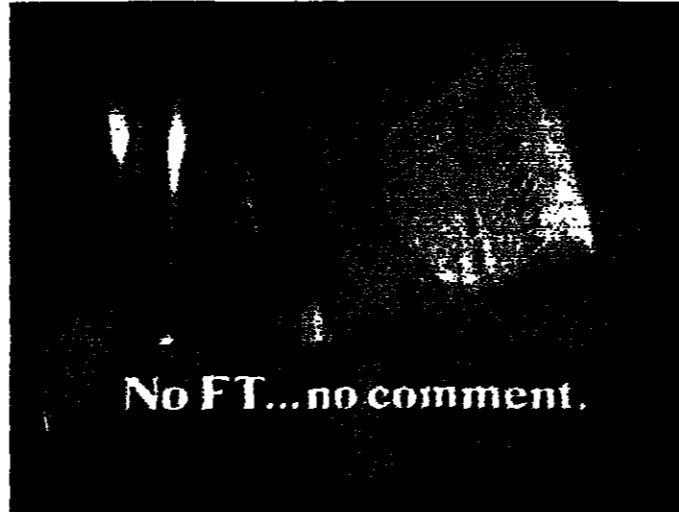
without even the sense to come in out of the rain . . .

Into a black and white world is born the man with nothing to say . . .



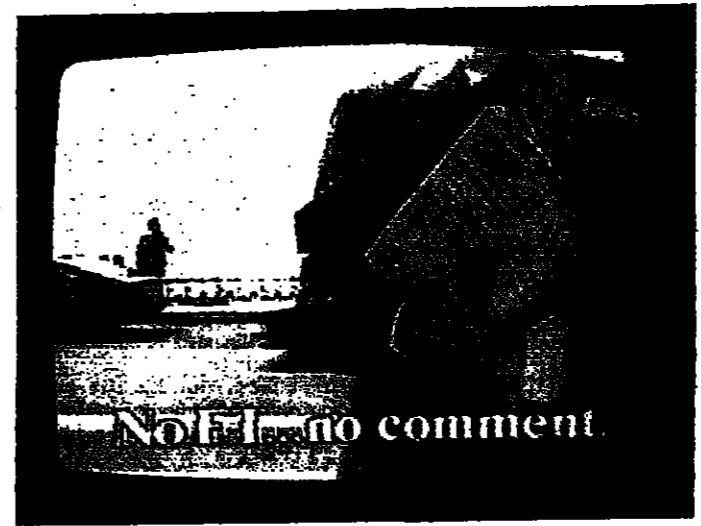
1981

. . . hiding behind coffee cups . . .



1982

left behind when others' move on . . .



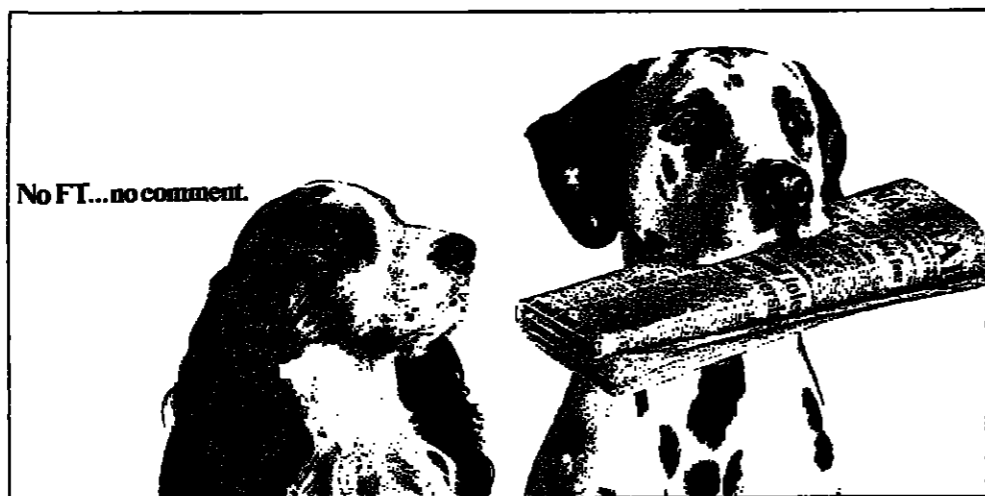
1982

stranded in the middle of nowhere . . .



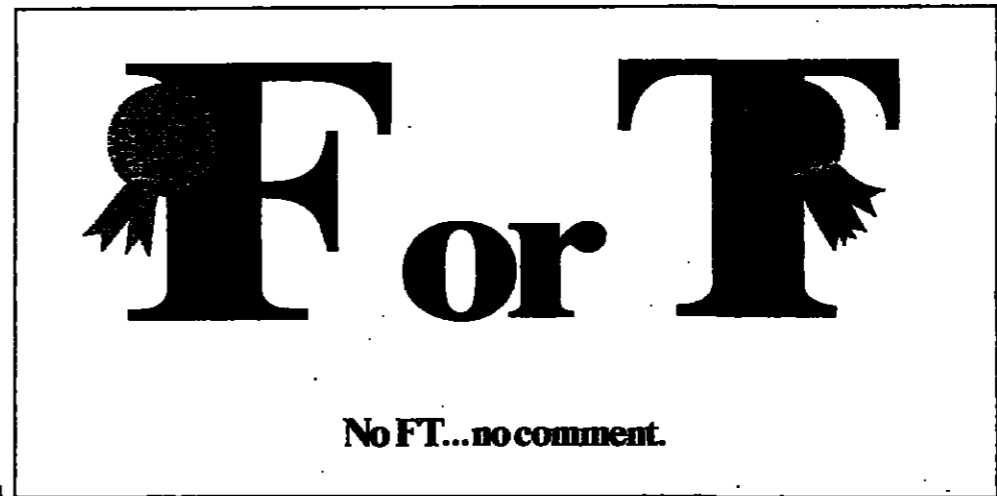
CHRISTMAS 1983

. . . dumbstruck even on the most festive occasions . . .



1983

. . . unable to reach the high spots . . .



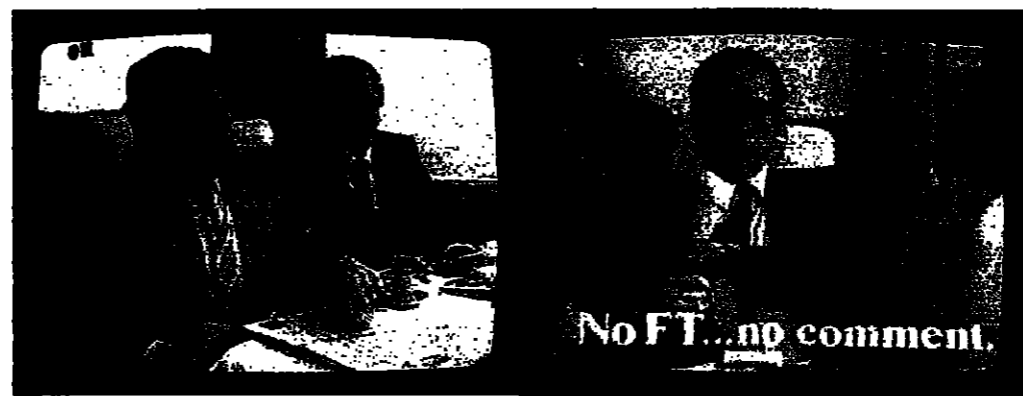
1983 ELECTION

. . . pick a winner . . .

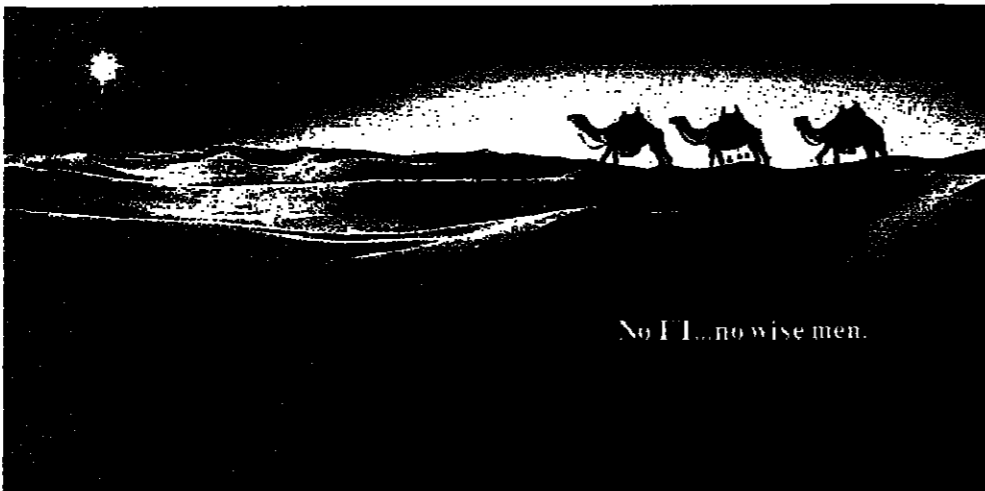


1983

. . . or learn the ABC of success . . .

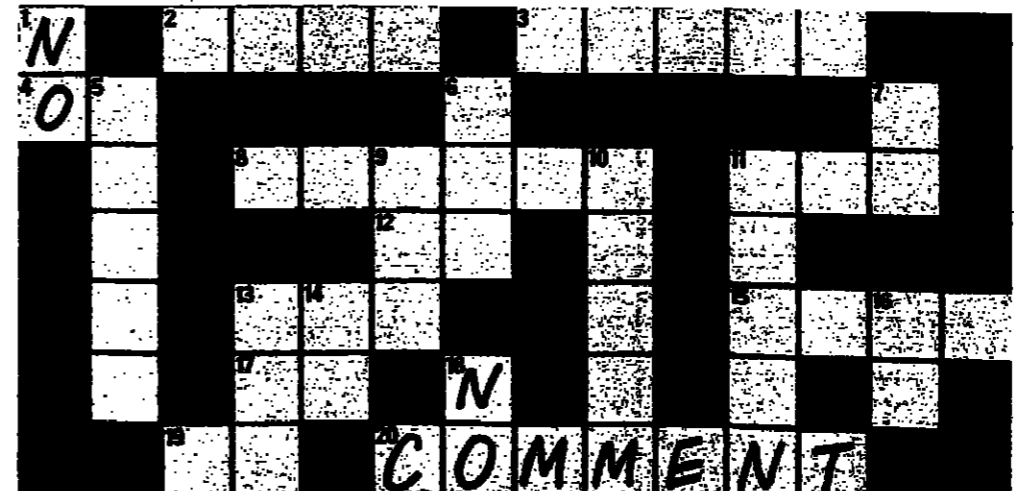


. . . he is going nowhere . . . fast.



CHRISTMAS 1984

Star-struck . . .



1984

. . . but puzzled . . .

**RFACTAFTER
FACTAFTERF
ACTAFTERFA
CTAFTERFAC
TAFTERFACT**

1985

... he is willing to look facts in the face ...



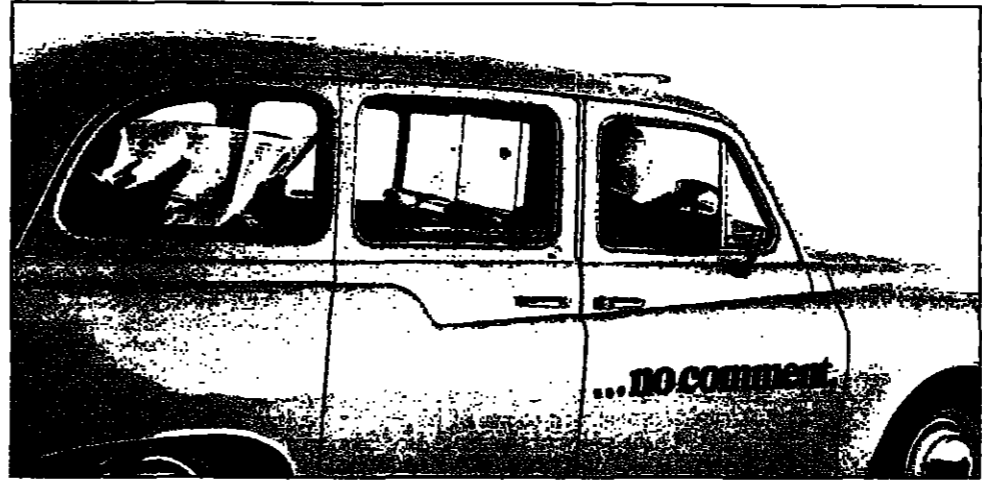
1985

... soon he's riding with the others ...

ABCDEFT

1985

... and start from the beginning ...



1985

... flushed with success ...



CHRISTMAS 1985

... relaxed ...



1986

... seeing in his stars ...



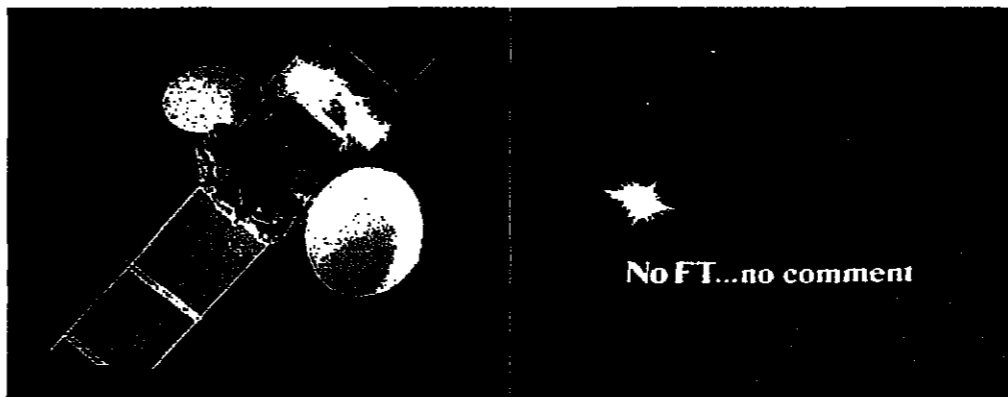
1986

... freedom.



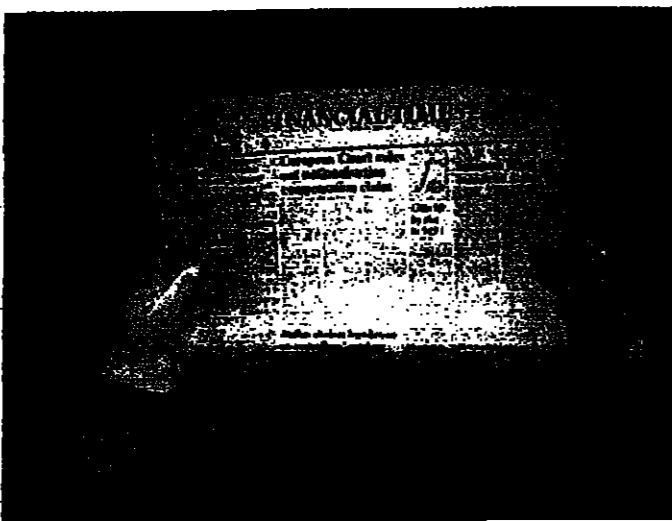
CHRISTMAS 1986

Now he has a nest egg ...



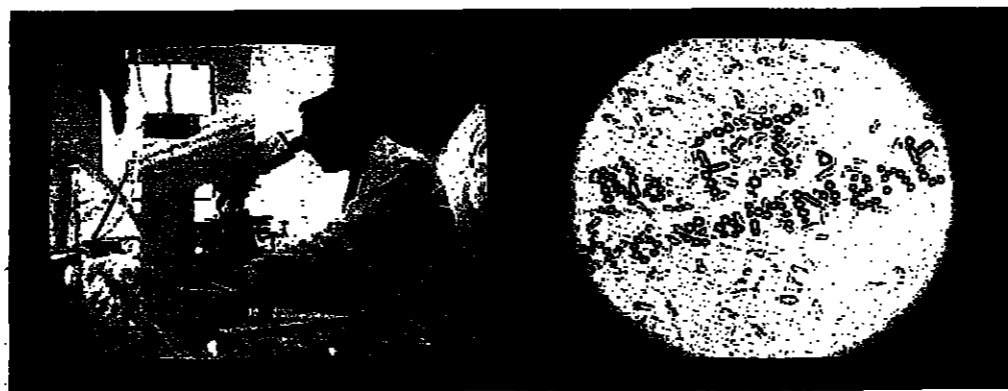
1986

... a place in the world ...



1987

... a firm grip ...



... on the future ...

CHRISTMAS 1987



... and will live happily ever after.

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how the campaign has developed over the last seven years.

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MANAGEMENT: Small Business

Venture capital

From mega egos to recalcitrant disks

Charles Batchelor on problems faced by potential backers

One enthusiastic entrepreneur has created an unusual problem for Peter Smitham and his fellow executives at Schroder Ventures, the venture capital arm of the Schroders banking group.

Many of its rivals, turns down 49 in every 50 proposals. Nevertheless, watching the Schroders team working its way through nearly 40 pages of proposals, divided into active, passive or dead according to the likelihood of a deal resulting, gives some idea of the problems they face, and of how the entrepreneur might get his or her proposal nearer the top of the pile.

"You would be surprised at the number of engineers who say marketing or finance are just common sense," says Smitham. One businessman who has approached Schroders with a proposal is still weighing up whether he would earn more over the next five years from his present job than he could from starting on his own.



upon which the businessman has put a completely unrealistic value. Entrepreneurs counter that venture capitalists are after the maximum equity stake in return for the minimum capital investment.

few managements come in and ask what we can do for them, what our skills are compared with other venture capitalists."

Building mutual benefit

Charles Batchelor on Third World small business development

Multinational companies have an important role to play in backing small businesses in developing countries, according to David Wright, research associate at the Overseas Development Institute.

assistance, thus improving the social and political climates. Small firms can supply raw materials, components and services to the large corporations.

bought for making shoe-leases for the local market. Some large companies embark on collaboration ventures for public relations reasons but unless they are really committed to the project initiative may backfire if problems arise.

Help for EC sub-contractors

A wide-ranging programme to improve the efficiency of companies which act as sub-contractors has been launched by the European Commission's small firms task force.

ity in more than one European country and to avoid dependence on one main customer. Large companies with central purchasing departments have little difficulty in finding suppliers but small companies have problems in locating customers.

sub-contracting in the aeronautics, information technology and civil engineering fields. The task force is running a series of conferences on the subject and is examining the possibility of creating a European Centre for Sub-Contracting which would become a clearing house and a centre for information and research.

Business Opportunities

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Tuesday August 16 1988

The challenge in Sudan

AS THE full extent of the devastation caused by the floods in Sudan emerges, it becomes clear that a country already wracked by civil war, an economic crisis and drought, faces a catastrophe. Up to 2m people are homeless, including half a million refugees from the conflict in the south. Cholera and typhoid epidemics now seem inevitable. It poses the greatest challenge to the international community since the Ethiopian famine of 1984-5, and no less a challenge to the Government of Mr Sadiq al-Mahdi, the Prime Minister.

Response

The former, once they have provided short-term emergency relief, have to consider what is the appropriate longer-term response to the needs of a Government whose record has been severely criticised. The Prime Minister for his part has to put doubts to rest in order to restore the confidence of donors, as well as to reassert at home the credibility of his civilian administration, which may well be in danger of being usurped by the army.

Devaluation

On the economic front at least, there has been some progress. In June the Government announced a wide-ranging reform which, should they be followed up by a devaluation, will pave the way to an agreement with the International Monetary Fund.

Edward Mortimer reports from Tehran on the mood of Iran as the war ends

A nation too hurt to rejoice

Four weeks after the announcement of Ayatollah Khomeini's decision to end the Iran-Iraq war on the terms proposed a year earlier by the UN Security Council, Iran is a country still numb with shock and confusion.



Canadian peacekeepers: Ottawa has agreed to take part in the UN force at the warfront

There can be little doubt that the great majority of Iranians have welcomed the decision wholeheartedly. The "imposed war," as it is officially known here, has been a terrible ordeal for almost everyone in the country. Nearly a million killed, 850,000 permanently disabled: these are terrifying figures even though purely numerical terms the appalling birthrate has compensated for the losses many times over. The estimated increase in Iran's population in the nine and a half years since the revolution is 15m (from 55m to 70m) — an increase equivalent to the population of Iraq. That has made Iran statistically the youngest nation in the world, with an average age of 21.

Every Iranian family with sons of or approaching military age had good reason to long for the war to end

"Punishment of the aggressor." Even within that minority it is likely that a majority was simply accepting the "line of the Imam" rather than following his own instincts. So when the Imam changed his line the great majority of the people greeted it with relief, while the remainder, a smallish minority comprising the regime's youngest and most militant supporters, accepted it out of discipline and obedience to the Imam.

The war had to be ended without delay, and Resolution 696, which had lain on the table for a year, suddenly became the Islamic Iran had to grasp. Luckily her leaders had at least had the diplomatic shrewdness not to reject it outright, but to play for time by spinning out discussions with the UN secretary-general on how it should be implemented.

Phantom flier

The West smirked last year when young Mathias Rust in his flying jumbo landed the night of the Soviet air defence system and calmly landed it in Red Square. There is now an aerial jester making unauthorized sorties in the skies over Paris, who has repeatedly evaded attempts to corner him, and the French authorities are not amused.

But such arguments cannot disguise the fact that Iran has accepted the resolution virtually under duress, in circumstances much less favourable than when it was originally passed a year ago. Indeed, the great majority of Iranians believe that if the war was going to be ended on these terms the regime had the option of doing so at any time since the Iraqis were driven out of Iranian territory in 1982.

Congdon goes

The City of London is about to lose one of its most vocal and controversial figures: Tim Congdon, chief economist at Shearson Lehman Hutton, is, after 15 years, leaving to take up private writing on UK economic issues.

watch his back most carefully, is Hojatoleslam Ali Akbar Hashemi-Rafsanjani, who in the closing weeks of the war added the responsibility of acting chief of armed forces to that of speaker of parliament which he had held since 1980.

He is generally credited with what must have been the very delicate achievement of persuading the Imam to drain his "cup of poison," and has made it fairly clear that his priorities are to get the country going again economically and to break its isolation diplomatically.

This is so, even though in closing last week's international conference on aggression and defence in Tehran, Mr Rafsanjani made a very strong statement of Iran's moral righteousness in the war and its grievances against the international community (especially the West). It is probable that this was at least partly tactical, designed to silence his domestic opponents and to show that talking to foreigners means impressing them that the Islamic Revolution is not the pragmatic trend.

His leading allies appear to be the Information Minister, Ayatollah Razi-Shahr, and the foreign minister, Ali Akbar Velayati. If all goes well for him, the latter might become Prime Minister next spring, replacing Mir-Hossein Mousavi who would be moved to the less influential post of President of the Republic — the present incumbent Ali Khamenei being ineligible for a third term. Mr Mousavi is considered one of the radicals opposed to Rafsanjani's pragmatic trend.

A former ambassador to Syria, Mr Mohtashami is said to have won the Imam's favour by masterminding the suicide attack on the US Marines barracks in Beirut in 1983. Some say that even now he has the remaining western hostages in Lebanon "in his pocket." He is also widely credited with organising the 1984 election to procure a radical majority, but this may be misleading as there are no organised parties and the allegiance of many deputies is still unclear, except that they can be relied on to obey any clear ruling.

The unspoken thought is that Ayatollah Khomeini is not only fallible but has publicly admitted his fallibility

given by the Imam so long as he is alive. Similarly, Mr Mohtashami is known to enjoy considerable charisma among the Revolutionary Guards, but the Imam's decision to name the year has already taken their morale. Many have resigned in the last few weeks.

All the logic of Mr Rafsanjani's politics appears to point to a renewal of ties with the West. Conventional wisdom has it that this will not in the first instance include the UK, which will have to wait for the Imam's death, given the intense and repeatedly expressed mutual hostility between him and the American people. But conventional wisdom also had it that the war could not end while he was alive, witness in fact, he alone had the authority to end it. It may be that he has one more cup of poison to swallow before he is allowed to go to his last rest.

The impact of single-unionism

THE TRADES Union Congress's attempt yesterday to settle the inter-union row between the TGWU transport and AEU engineering unions over the engineers' single-union agreement at Coca-Cola's plant in Yorkshire is only the latest in what looks likely to be a long line of efforts by the TUC to put out such disputes.

Even if those new TUC provisions are approved and work in practice, they will still be likely and more difficult to resolve. In part that will be for the simple reason that with one of the principal participants no longer within the TUC's confines, the TUC's Bridlington writ will no longer have even the strained effectiveness it carries now. In part, too, employers may judge it propitious to take advantage of the window of opportunity which the EETPU's expected expulsion offers.

Strained

The net effect of that will be to make inter-union disputes, as at Coca-Cola, both more likely and more difficult to resolve. In part that will be for the simple reason that with one of the principal participants no longer within the TUC's confines, the TUC's Bridlington writ will no longer have even the strained effectiveness it carries now. In part, too, employers may judge it propitious to take advantage of the window of opportunity which the EETPU's expected expulsion offers.

Inhibitions

Some multi-union employers may yearn to recoup that cost advantage, but up to now could see little prospect of doing so. For those who want to take it, the EETPU's expected expulsion may provide them with the mechanism of doing so. Many employers may be scared away from making such a change in their employee relations by the risk of active opposition from the other TUC-affiliated unions.

The parallel is with the Conservative employment legislation of the 1980s. Its provisions lay dormant, with most employers unwilling to take the potential consequences of bringing actions against the unions, until the dam was broken by the dispute at Warrington involving Mr Eddie Shah and the NGA print union. But once Mr Shah's actions released employer inhibitions, such legal actions — or the possibility of them — rapidly became part of the industrial relations fabric.

A bit of chutzpah

Undeterred by the Cassandra who foresees the demise of the global equity market, The New York Stock Exchange is opening a London office in September to drum up overseas business.

Phantom flier

The West smirked last year when young Mathias Rust in his flying jumbo landed the night of the Soviet air defence system and calmly landed it in Red Square. There is now an aerial jester making unauthorized sorties in the skies over Paris, who has repeatedly evaded attempts to corner him, and the French authorities are not amused.

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OBSERVER

\$500m in 1985 will, judging from the first quarter figures, register a drop of between 5-10 per cent in 1988 over the previous year.

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Alain Cass

Handwritten scribble at the bottom of the page.

LETTERS

Monetary union would need a bigger EC budget

From Sir Donald MacDougall. Sir, Samuel Brittan's article "Why we have no need of a Celtic pound" (August 11) raises the general question of why different regions within national states do not need separate currencies, but belong, in effect, to a national monetary union.

half to two-thirds of a short term loss of income in a region due to a fall in external sales, through lower payments of taxes and insurance contributions to the centre, and higher receipts of unemployment and other benefits.

EC members - and so remove the safety valve of exchange rate changes which I (unlike, perhaps, Mr Brittan) believe can work - would be doomed to failure unless and until there was a much larger EC budget. It need not be nearly as high as the average of between 45 per cent and 50 per cent of gross domestic product (GDP) in the EC member states, nor the 20 per cent to 25 per cent of federal (as opposed to state and local) expenditure in the federal states we studied.

Part of Mr Brittan's interesting article is about whether a devaluation of a "Celtic pound" - quite a different matter from a devaluation of a European currency - would work. This is not relevant to my argument; I am not so foolish as to be advocating a "Celtic pound". But I find nothing in the article to convince me that, with an EC budget of only 1 per cent of EC gross product, monetary union, with "irrevocably" fixed exchange rates - or, worse still, a common currency - would be sustainable.

Onus is now on the EETPU

From Mr John Monks. Sir, Philip Bassett's report (August 1) refers to the Trades Union Congress (TUC) as having suspended the EETPU, the electricians' union, for refusing to accept instructions to withdraw from two single union, strike free deals.

should have made recognition agreements at the two plants without consulting other unions. These two cases went against the EETPU, but some cases, involving the union's "single union, no strike" deals, have been won at disputes committees.

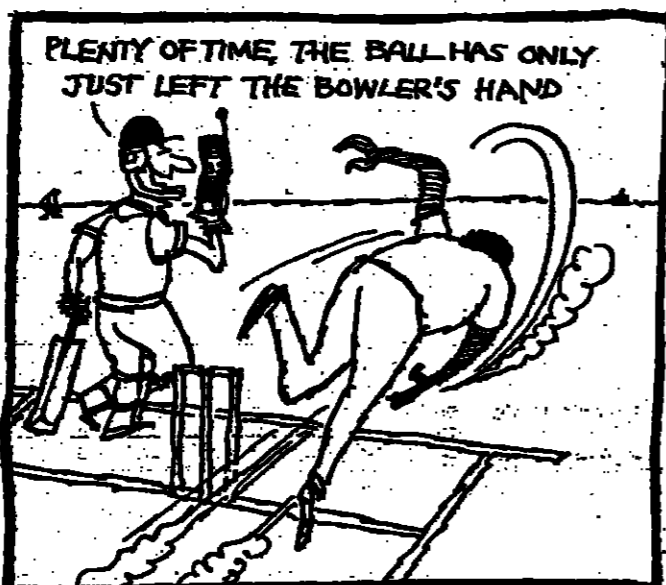
Protectionism not intended

From Mr Harry L. Freeman. Sir, Your editorial of August 4 characterised the US Trade Bill as a step away from multilateralism in international trade policy under the GATT.

would welcome more vigorous activities among many of the GATT members in the Uruguay round. The new Trade Bill is not protectionist because it seeks to open foreign markets rather than to close the US market to foreigners. Both the US and its major trading partners have a stake in the success of this effort.

Law and order in Malta

From Mr Joseph Pisani. Sir, The Maltese High Commissioner in London, Mr John Manduca (Letters, July 20), changes not one fact of the shocking events of June 24 by trying to denigrate Mr Godfrey Gatt's report (July 12).



Lengthen pitch to suit batsmen

From Mr F. Holmes. Sir, English cricket may be at a low ebb (Teresa McLean, August 12) but - as proved more than 50 years ago in the "bodyline" series in Australia - the world's greatest batsman, Don Bradman, flattered against the fast, short bowling in which West Indies cricketers now specialise.

To redress the balance between fast bowlers and batsmen, the length of the cricket pitch could be increased from 22 yards to, say, 25 yards, with the bowler's half of the wicket a "no ball" area as indicated by a white line.

Efforts to reduce poverty

From Mr Bill Linton. Sir, Third World development has been much in the news recently, but an important initiative by legislators in five countries has gone largely unreported - in fact, I think the Financial Times was the only paper to mention it.

Late birth

From Mr Peter Kreamer. Sir, 1997? That probably was weighed in pounds and ounces.

ECGD is a vital asset to UK industrial exporters

From Mr Kenneth Edwards. Sir, The present fragile state of our balance of trade only serves to emphasise how important successful exporting is to UK economic health. Government support in advisory, representational and financial terms is crucial to ensure that our companies can compete on the same basis as our rivals.

ECGD is an integral part of the UK's export armory; the CBI would be most concerned least this debate should in any way impair ECGD's ability to continue to offer the support so essential to British industry.

power station provided work for no fewer than 2000 domestic UK companies, of which 45 per cent were in "assisted" areas.

improvements over the last 12 months in ECGD's short-term business - and its responsiveness and increased commercial attitudes. The project side has also demonstrated a marked improvement - but this is, of course, an extremely competitive market, where there is a dearth of major project orders at present.

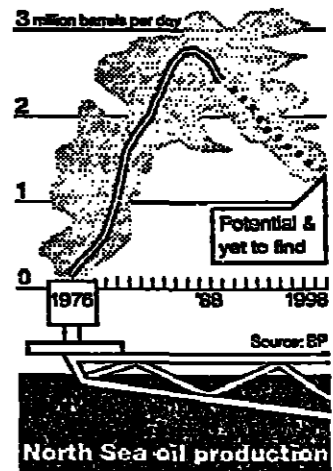
From Mr C.E. Dunford. Sir, I was concerned at the implied criticism of the Export Credits Guarantee Department (ECGD) in your analysis of the Peat Marwick McLintock report on the department (July 28). No government department is above criticism, but the current wave of attacks upon our national export credit agency is both ignorant and ill-judged.

advisers of a long-term structural deterioration in the balance of payments, and the implications for UK industry and interest rates.

surge represents only much-needed Japanese machine tools, and another senior member of the Cabinet stating (on Radio 4) that the problem is actually because we are all taking two holidays a year abroad.

strides in commercial and management terms - unlike the non-accountable departments which use it as a scapegoat.

Steven Butler looks at the future of North Sea oil Under the shadow of Piper Alpha



Britain's oil industry is swiftly returning to business as usual after the explosion six weeks ago that ripped apart the Piper Alpha platform and killed 167 men.

At Highland Fabricators, at Nigg Bay in Scotland, new machines have cut by two-thirds the time it takes to weld together the pieces of steel that support production platforms in the sea.

For example, the Weir Group, a leading pump engineer, is now backed by 16 oil companies and the Department of Energy in a difficult and risky effort to build a pump capable of pushing along at the seabed level the mixture of gas, oil and water that typically comes gushing out of an oil well.

This activity masks an underlying fact of life: thirteen years after the first oil flowed from the North Sea, and three years after production peaked, the North Sea is set for a slow decline in output until it is eventually exhausted.

Such changes are influencing the way offshore structures are designed, with larger units allowing for economies on structural steel and interconnecting piping.

The full impact of the Piper Alpha disaster will possibly not be felt for a year, when the inquiries are completed. A technical inquiry into the causes of the disaster is now under way in Aberdeen, and this will be followed by a broad public inquiry that will probably result in new safety recommendations for the industry.

Many in the industry believe that the rush to get out of the ground quickly in those early years led Britain to miss an opportunity to develop a broad-based oil services and supply industry.

This is an area where Britain has suddenly moved into the forefront of technology. British companies may be able to win big contracts at home and abroad if they can master problems that are in many ways as complicated as putting men into space or artificially manipulating genes.

Already some projects on the drawing boards have been pulled off for a closer look at safety. At least two companies planning new manned platforms are now looking seriously at subsea alternatives.

Some symptoms of the changes: In Aberdeen, the Scottish centre for the offshore service and supply industry, many workers have accepted lower wages as a means to preserve jobs, and the city is now close to full employment.

The next frontier is not just to place fixed structures on the sea bed, but to build a whole generation of heavy machines that are reliable enough to operate for long periods underwater without maintenance, and clever enough in design to be installed and serviced by underwater robots - called remote operated vehicles (ROVs).

Indeed, the challenge facing the industry as it matures is unlikely to be how to meet new safety standards following the Piper Alpha disaster, but how to capitalise on the business opportunities provided by the new ideas emerging in the industry. It is a classic problem - how to make money out of ingenious ideas - and Britain's record of success here is not unblemished.



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FINANCIAL TIMES

Tuesday August 16 1988

WINCANTON CAR CONTRACT HIRE WINCANTON CONTRACTS LTD. 01-993 7011 A little more drive, a lot more service

Alfonsin sets alarm bells ringing Gary Mead looks at Argentina's latest economic austerity plan

WHEN the president of a nation loses his temper and shouts "fascists" at hecklers, the suspicion arises that he is losing his grip. When the rowdies are highly conservative farmers moaning about profits, and the president is Mr Raul Alfonsín, alarm bells start ringing.



President Alfonsín: toppled from the crest of populist waves

Last Saturday, President Alfonsín inaugurated one of Argentina's most important annual social events, the Rural Agricultural Show. The President was roundly hissed and booed, a shock to Argentina's political sentiments comparable only to whistling the Queen at Ascot. The Rural of 1988 will go down in history as the year in which the President became so enraged he forgot to declare the show open.

While prices have rocketed, salaries have taken a dive in real terms. When Mr Alfonsín took office in December 1983 the Government-guaranteed minimum salary was \$109 a month. Today it stands at \$68. The purchasing power of wages is now lower than at any time since the radicals took office, registering a drop of 35.5 per cent since December 1983.

Against 1987. They argue that they are being forced to accept the inflationary consequences of the failure to cut state spending on the inefficient public sector. The cut in VAT from 18 to 15 per cent they regard as derisory. For them a price freeze could spell bankruptcy.

THE farmers, who have not met their goal but only failed to make more, see the two-tier exchange rate system as an indirect tax on profits, a tax used to subsidise the state sector which constantly fails to pay its debts, never mind more profit. They point to the railway system making enough money each year to pay only 60 per cent of its wage bill.

UK output growth provokes interest rate fears

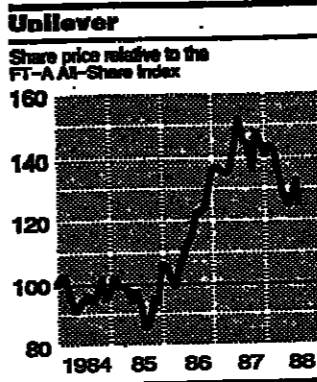
By Ralph Atkins and Simon Holberton in London

BRITAIN'S economic growth rate showed no sign of faltering in the past two months, according to official figures yesterday.

Government statistics showed a big jump in retail sales in July and a sharp increase in manufacturing output in the three months to June, taking it to a record level.

The curse of the spendthrift

The picture of too much demand and not enough supply suggested by yesterday's retail sales and output figures is frightening enough, and if it were true, deserved a good deal more than yesterday's initial 20 point fall in the FT-SE, and the half point of gilt.



For once the market's mixture of concern and scepticism seemed about right. The output numbers are probably best forgotten about, at least until the next revision - notoriously large - revisions are published. Given the recent confidence from the CBI and all the anecdotal cheer from UK companies, it is most unlikely that manufacturing output fell by more than 1 per cent in June, but even if it did, the upward revision for May makes any June decline less alarming.

Unilever Share price relative to the FT-SE index

Unilever's results have recently been so distorted by one-offs of every variety, that its second quarter figures are remarkable for being exactly as good as they seem.

Unilever's results have recently been so distorted by one-offs of every variety, that its second quarter figures are remarkable for being exactly as good as they seem.

rather like a rowing boat with two oarsmen churning away in opposite directions, the plan promises only to churn a lot of water without moving, and in the process provoke much bad temper.

As for public spending, the truth is that the radicals no longer have the political muscle to make the necessary cuts. The Primavera plan proposal to retire 30,000 state employees, and transfer 5,000 state cars from the civil service to the police, is regarded by independent economists as trivial.

While much of the Rural whistling and foot-stamping came from farmers who have little to complain of, a great deal also came from the heart of people who have no confidence in this Government's handling of the economy.

Israeli troops fight Gaza demonstrators

By Andrew Whitley in Jerusalem

THE Israeli Army, surprised by a surge of violence in the occupied Gaza Strip, fought running battles yesterday with young demonstrators flying an indefinite round-the-clock curfew imposed on the entire region on Sunday night.

Enraged by Sunday's petrol bomb attacks on an Israeli civilian bus carrying visitors to the settlement of Gush Katif, in which seven people were injured, the settlers have demanded more army action to combat the latest upturn in the eight-month curfew.

Justifying his decision to reimpose a total curfew on the Gaza Strip, home to 650,000 Palestinians, the Defence Minister told Israel Radio that intelligence information had indicated that Moslem fundamentalists were planning a general strike and clashes with the army.

Pleasurama insider deal was 'well organised'

Continued from Page 1

This precaution was observed particularly on the last day before the bid announcement - August 3 - which is when the illicit purchases were made.

through the laborious process of transcribing the tape recordings of all Mr Gray's conversations for the past three months, which is as far back as recordings are kept.

Right-wing Republicans launch fierce comeback

Continued from Page 1

often heard in British official circles, conservative Republicans say that George Bush "is not one of us."

Jack Kemp of New York, the former American football star, the youthful Senator from Indiana, the ram-bunctious Mr William Bennett, outgoing US Education Secretary, and Senator William Armstrong of Colorado, and they remain suspicious about his long-standing ties with non-ideological pragmatists such as Mr James Baker, the outgoing US Treasury Secretary and designated Bush campaign manager, and Mr Nicholas Brady, the Wall Street financier nominated as Mr Baker's successor.

Table with columns for location, temperature, and weather conditions. Includes cities like Adelaide, Albany, Anchorage, etc.

Opec to seek Iran-Iraq parity on oil production

GEN SUBROTO of Indonesia, the Organisation of Petroleum Exporting Countries secretary, said yesterday he would fly to Iran in the last week of August to try to secure an Opec output quota for Iraq equal to Iran's limit of 2.85bn barrels per day, Bester reports from Caracas.

oil prices would rise if the Organisation of Petroleum Exporting Countries could secure a parity between the two neighbours by putting both at Iran's current 2.85bn bpd quota.

Soviets warn Pakistan over Afghan rebels

Continued from Page 1

withdrew half its force of 100,000 soldiers in the country, in line with the accords. The remaining 50,000 are due to leave by February 15 next year.

SASEA HOLDING advertisement for Swiss Francs 76,385,700 4% Convertible Bonds of 1988 due 1993. Includes list of banks and financial institutions.

Handwritten notes and signatures at the bottom of the page.

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August, 1988



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SBCI Swiss Bank Corporation Investment banking

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Yasuda Trust Europe Limited

IBJ International Limited

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S.G. Warburg Securities

INTERNATIONAL COMPANIES AND FINANCE

First-half advance at Sea Containers

By Kevin Brown, Transport Correspondent

SEA CONTAINERS, the Bermuda-based lessor of marine containers and operator of UK ferries, yesterday announced net earnings of \$38.2m for the first half of 1988, on turnover of \$389.6m.

The results represent a substantial improvement over the first half of 1987, when Sea Containers reported a net loss of \$1.3m on turnover of \$315.6m.

However, most of the improvement reflects a profit of \$40m on the sale of Sea Containers House, the group's London headquarters, together with a tax credit of \$6m.

Mr James Sherwood, president, said he remained confident that 1988 would be a record year. Mr Sherwood has forecast net profits of more than \$110m for the year, including around \$30m from container leasing activities and \$50m from Sealink, the UK ferries division.

Mr Sherwood said demand for leased containers was strong in every traditional market worldwide. The company's container ship chartering activity had also returned to profits after several years of losses.

Net profits from the containers division rose to \$13.6m from \$3.7m in the first half of 1987. Second-quarter profits were ahead of expectations at \$7.5m, compared with \$6.1m in the first quarter.

Sealink reported losses of \$21.4m, compared with a \$10.9m deficit in the first half of 1987. However, Mr Sherwood said this was \$4.5m ahead of budget, despite losses of \$3m from secondary strike action during a British seamen's dispute at Dover.

The company also said the results were not directly comparable because of currency translation adjustments and non-recurring gains of \$6.5m, primarily from property sales, in 1987.

Mr Sherwood said the company's ferries were heavily booked, and forecast record profits for the third quarter, traditionally the most profitable period of the year for Channel ferries. Sealink earned \$48.5m in the third quarter of last year.

K mart achieves record second-quarter earnings

By Martin Stanbridge in New York

K MART, the world's second largest retailer, yesterday reported record second-quarter sales and earnings, helped by a policy of lowering shelf prices.

The Troy, Michigan-based group reported net income for the 13 weeks ended July 27 up 14 per cent at \$162.8m, or 51 cents per share, from \$143.6m or 71 cents in the same period a year earlier.

Sales rose 6 per cent to \$8.68bn from 1987's \$8.3bn. Sales on a comparable store basis - those stores open at least one year - were up 21 per cent.

Gross margins for the quarter meanwhile fell to 24.9 per cent from 27.2 per cent, because of K mart's lower pricing strategy and the inclusion of its new lower-margined Marco operation.

Mr Joseph Antonini, chairman and chief executive, said: "While the sales increase in our K mart discount stores was fairly modest, we are encouraged by the results from two of our strategic programmes. We have been placing great emphasis on lowering shelf prices, and this has resulted in a marked increase in sell-through on items where prices have been lowered."

"In addition, our once-a-week advertising programme is gaining momentum and giving new dimension to our various merchandising programmes."

On the outlook for the rest of the year Mr Antonini said: "We believe we will be seeing an improving environment in the second quarter and a continued strengthening of K mart's position in the market place."

He added that inventory and expense controls were improving with 916 K mart stores linked to the group's point-of-sales system, enabling better management of sales, inventory and labour costs.

First-half net income rose by 10.2 per cent to a record \$283.6m or \$1.41 per share, from \$261.9m or \$1.28 a year earlier. Sales increased 5.3 per cent to \$12.53bn, up from \$11.9bn in the first six months of 1987. Comparable store sales for the 26-week period increased 1.8 per cent.

Roman executive quits

MR C.D. (Chuck) Parmelee has resigned as president and chief operating officer of Roman Corporation, the holding company for the late Mr Stephen Roman's Canadian resources and industrial empire, writes Robert Gibbons in Montreal.

This leaves the way open for Mrs Helen Roman-Barber, Mr Roman's daughter who is chairman and chief executive, to appoint her own second-in-command. Mr Roman died in the spring this year, after having developed what became Canada's second largest uranium producer.

Mr Parmelee resigned because of differences with Mrs Roman-Barber about policy directions, the company said. He also resigned senior positions with two Roman subsidiaries, Lawson Mardon, the packaging and printing concern, and Denison Mines, the uranium producer.

Gulf bank raises profit by 14.3%

GULF International Bank, the Bahrain bank owned by seven Gulf states, raised its post-tax profits by 14.3 per cent in the first half of 1988 to \$25.4m, writes David Lascelles.

The bank's capital resources are to be increased by \$11m through an issue which will be paid in by the end of the year. Last year GIB made a loss of \$17m because of provisions due to its heavy Third World loan exposure.

Sara Lee ends year on strong note

SARA LEE, the Chicago-based diversified food processing group, has reported a 21.6 per cent jump in fourth-quarter net profits to \$7.1m or 76 cents per share, up from \$7.6m or 63 cents previously, on sales of \$2.9bn against \$2.4bn, writes Our New York Staff.

This brought net earnings for the year to \$25.1m or \$2.53 per share, 21.7 per cent ahead of 1987's \$207.1m or \$2.85, on sales of \$1.04bn against \$9.2bn. Mr John Bryan, chairman and chief executive, said: "All our businesses performed well as solid gains in unit volumes continued to drive growth. Our outlook continues to be very positive and we anticipate that earnings per share in fiscal 1989 will grow at a rate comparable to the strong growth we enjoyed over the past five years."

The packaged foods activities recorded strong gains, with the packaged meats divisions posting an 8 per cent gain in unit volume for the year. Sara Lee Bakery, formed by combining Kitchens of Sara Lee and Chef Pierre, increased unit volume by 10 per cent, while the coffee and grocery segment also showed strong gains with unit volume up 7 per cent.

The food service activities showed solid gains. FYA/Monarch, the main business of this segment, recorded a 10 per cent rise in unit volume. In the Sara Lee packaged consumer products group the knitted goods operation recorded a 25 per cent rise in unit volume.

Asia Television loses Olympic court contest

By Michael Murray in Hong Kong

ASIA TELEVISION (ATV), the Hong Kong TV station recently restructured in a HK\$410m (US\$82.5m) deal which saw two-thirds of the station change hands, yesterday lost its court battle exclusively to broadcast the Second Olympic Games in the territory.

An injunction restraining ATV from showing the games exclusively came after a year of squabbling over rights to the Seoul Olympics between itself and Hong Kong's other television station, Television Broadcasts (TVB). The judge said there had been an oral agreement to share coverage.

THE COUNTRY

Brunei Darussalam is in North West Borneo and borders onto Sarawak. It has a population of around 226,500. Malays make up around 155,500, the Chinese 41,500 and indigenous peoples some 11,500. There is a large foreign community working in Brunei, which is drawn from all over the world.

The Sultanate of Brunei Darussalam is a Malay Muslim monarchy which rose to prominence during the 14th to the 16th Centuries. Brunei Darussalam is guided today by the same dynasty—one of the world's oldest ruling families. His Majesty Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah, The Sultan and Yang Di-Pertuan is the 29th ruler and has been on the throne since 1967.

Today, Brunei has a cabinet style government, made up of eleven ministries headed by His Majesty, The Sultan and Yang Di-Pertuan as Prime Minister.



MANAGING ITS ECONOMY

The Government believes in sound monetary and fiscal policies based on a secure balance of trade and substantial foreign exchange reserves and investments. It has a balanced budget and no national debt.

There is no personal taxation and company taxation is at 30 per cent. Brunei has a double taxation agreement with the United Kingdom. The national currency—the Brunei dollar—is at parity with the Singapore dollar.

The Brunei Investment Agency manages one of the world's largest investment portfolios with holdings in several major economies. The BIA has an office in London and is managed from its headquarters at the Brunei Ministry of Finance.

NATIONAL DEVELOPMENT PLAN

Brunei's national development plan covers the period 1986-1990 and aims to diversify the economy with planned total expenditure of B\$16.2 billion. It

WHAT YOU SHOULD KNOW ABOUT BRUNEI DARUSSALAM

INTERNATIONAL STATUS

Brunei Darussalam resumed its full independence in 1984. Soon afterwards it joined the Association of South East Asian Nations—ASEAN. Brunei is committed to play its part to ensure that ASEAN remains a viable and effective association.

The Sultanate remains a member of the Commonwealth and values highly its links with the United Kingdom and other Commonwealth members.

Today, the Sultanate is a member of the United Nations, The Organisation of Islamic Conference and many other international bodies. In addition, Brunei maintains diplomatic relations with some 42 other states.

ACHIEVEMENTS SINCE INDEPENDENCE

Following resumption of full independence in 1984, Brunei's record of achievements encompasses impressive economic development, sustained social progress and a major effort to diversify the country's economy away from over dependence on oil and gas.

Brunei's economy has one of the highest per capita incomes in the world. The government is determined to ensure that the country enjoys a well balanced development. Civil aviation, communications, housing, education and social welfare are all priority areas in which good progress has been made.

places emphasis on building up industry in non-energy sectors, fostering private enterprise and developing job skills among the local workforce. Brunei's Ministry of Development is able to offer a whole variety of advice and aid packages for schemes that accord with the plan.

For a copy of 'Brunei Darussalam—In Profile', due to be published in October, please complete and post the coupon below to The High Commission of Negara Brunei Darussalam, 49, Cromwell Road, London, SW7 2ED.

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INTERNATIONAL COMPANIES AND FINANCE

Dilemma over direction at Norsk Hydro

Karen Foselli on choices facing the large Norwegian group over its aluminium unit

Last month's announcement of Norsk Hydro's (NOR) losses at Norsk Hydro's aluminium trading unit has cast a dark shadow over what should otherwise have been a sterling reception for record half-year profits at Norway's largest publicly-quoted company.

Table with 2 columns: 1987, 1988. Rows include Operating revenues, Operating income, Capital spending, Depreciation.

unusual, but the size of the premiums asked for immediate delivery has reached record levels. Backwardations of such proportions combined with highly volatile prices make it difficult for producers and users to hedge their risks.

Mr Ivar Hafseth, who heads Hydro Aluminium's extrusion operations in Lausanne, has been appointed chairman of the board. Norsk Hydro says that it is to tighten administration systems and control routines at Hydro Trading.

These activities comprise the main part of the light metals division, which accounts for 22 per cent of Hydro's overall business. The three other main business sectors are oil and gas (20 per cent of sales), agricultural products (48 per cent) and petrochemicals (8 per cent).

Losses mount at Norsk Data

By Karen Foselli in Oslo

NORSK DATA, the troubled Norwegian minicomputer group, continued to operate in the red during the first six months of 1988 with first-half losses reaching Nkr122m (\$17.7m).

Hysan Development bids for construction group

By Michael Murray in Hong Kong

HYSAN DEVELOPMENT, one of Hong Kong's biggest property companies, said yesterday it was making a cash offer of HK\$3.50 (44 US cents) per share for Paul Y Construction through Hassan, its wholly-owned subsidiary.

holding to 34.7 per cent, and last week bought more shares, taking it through the 35 per cent trigger point requiring a general offer under the Hong Kong Code on Takeovers and Mergers.

Santa Barbara Savings and Loan Association. U.S. \$100,000,000. Collateralized Floating Rate Notes Due 1996.

BANK OF BOSTON CORPORATION. Subordinated Floating Rate Notes Due 2001. Issued 10th February 1988.

First Bank System, Inc. Floating Rate Subordinated Capital Notes Due 1996. Interest Rate 8 7/8% per annum.

Table titled 'SPONSORED SECURITIES' with columns: High Low, Company, Price, Change, Gross Yield, P/E.

COMMERZBANK OVERSEAS FINANCE N.V. U.S. \$200,000,000 Floating Rate Notes Due 1993.

The Chase Manhattan Corporation U.S. \$250,000,000 Floating Rate Subordinated Notes due 2000.

Wells Fargo & Company U.S. \$250,000,000 Floating Rate Subordinated Notes due 1997.

NOTICE TO HOLDERS OF SUZUTAN CO., LTD. (the "Company")

CVAS S LIMITED U.S. \$50,000,000 Secured Floating Rate Notes due 1993.

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TRUSTHOUSE FORTE PLC. NOTICE OF AN ADJOURNED MEETING of the holders of the outstanding 41,225,000 Warrants to procure the subscription of Ordinary Shares of 25p each of Trusthouse Forte PLC.

INTERNATIONAL CAPITAL MARKETS AND COMPANIES

Go-ahead for continuous trading
Haig Simonian on a new challenge for Germany's bond dealers

Continuous trading in a variety of West German government bonds should begin on the country's eight stock exchanges from October 1 this year, potentially boosting liquidity and transparency at a time of new challenges for Germany's stock markets.

Outside normal stock exchange hours by both domestic and foreign banks in the interbank market. However, the Bundesbank itself only participates actively during official hours trading between 11.30am and 1.30pm.

Zimbabwe takes over Legal and General unit

ZIMBABWE'S state-owned Reinsurance Corporation has taken over the British-owned Legal and General Assurance company in Zimbabwe - the country's second-largest life assurance company.

Korean banks to choose chiefs

By Maggie Ford in Seoul

COMMERCIAL BANKS in South Korea are to be allowed to choose their own presidents, under a new ruling issued by the Ministry of Finance, which previously controlled appointments to top banking posts.

Stakes in most of South Korea's commercial banks, which are saddled with non-performing assets of almost \$10bn, following government-organised bailouts of failing companies in the past. South Korea has never allowed a major corporate bankruptcy.

ANZ acts on exchange rates impact

By Chris Sherwell in Sydney

THE AUSTRALIA and New Zealand (ANZ) banking group, Australia's second largest commercial bank in terms of assets, announced two moves yesterday to help moderate the impact of exchange rate movements on its capital ratio.

Eurodollar issues drift ahead of US trade data

By Dominique Jackson

THE EUROBOND market spent yesterday virtually on hold ahead of today's US trade report for June. A public holiday for the Roman Catholic feast of the Assumption in much of Continental Europe added to the subdued tone.

INTERNATIONAL BONDS

A few borrowers with special circumstances, such as simultaneous domestic financing, have been allowed through the net. Sekisui House tapped the market now because its particular accounting period would imply a delay of months and not weeks if the issue had been reached by the end of the year.

Citic boosted by Chinese reforms

CHINA'S state-run China International Trust and Investment (Citic) reported a 37 per cent rise in profits last year, compared with 1986, and the gains to the country's economic reforms, writes Our Financial Staff.

Australian Rothmans shows 18% gain

By Chris Sherwell in Sydney

ROTHMANS HOLDINGS, the Australian arm of the UK-based tobacco group Rothmans International, reported a profit of \$71.4m (US\$87.1m) for the year to June, an 18 per cent increase on the previous 12 months, writes Chris Sherwell in Sydney.

Directors announced as the group continued to resist pressure for board representation from Industrial Equity (IEL), the company which controls the Australian interests of New Zealand entrepreneur Sir John Pender. IEL, which owned 15 per cent of Rothmans Holdings, which withconfectionery and packaging interests as well as tobacco operations, is 50 per cent-owned by Rothmans International. So far the parent has shown no inclination to alter its holding.

For the bank, which has a large proportion of its assets and earnings in major foreign currencies, the move lets it keep a similar proportion of its capital in foreign currencies. For shareholders, it offers a choice of currency exposure. A statement said the new class of share would have rights and entitlements to dividends, new issues and distribution linked to movements in the exchange rate between the Australian dollar and the relevant foreign currency.

But Mr Will Bailey, group chief executive, said there were no immediate plans to issue the shares. In a separate but related announcement, the bank said it planned to raise up to US\$150m through the issue of floating rate notes to institutional investors in the international capital market.

The issue, which is being arranged by Morgan Stanley International, will be of notes, which are undated, subordinated and, under certain conditions, redeemable into ANZ shares at market value. Mr Bailey said the proceeds would be used to support the group's international business operations and would qualify as "tier two" capital under the Reserve Bank's new guidelines.

Two-way interest was detected in the sterling-denominated sector of the market. Citic-edged prices tumbled up to half a point on the release of stronger than expected UK retail sales data for July. But bonds recouped some losses when retail buyers entered the market late in the day when supply was limited. The houses which were open in West Germany and Switzerland reported extremely low turnover and bond prices finished the day narrowly easier where changed.

In the primary markets, Yamachi International was the lead manager on the long-anticipated \$800m equity warren deal for Sekisui House, Japan's largest private sector contractor of single-family homes. The deal, which is the four-year deal, was indicated at 4% per cent, 1/4 point above the level on last week's equity war-

estate and arms, said in its annual report it earned 182m yen last year, compared with 128m yen in 1986. Interest income surged to 567m yen, from 57m a year earlier, while investment income climbed to 145.5m yen from 53.5m yen.

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Closing prices on August 15

Table with columns for Country, Issue, Maturity, Coupon, and Price. Includes entries for US STRAIGHT, EURO STRAIGHT, and various international bonds.

FT GUIDE TO WORLD CURRENCIES

The table below gives the latest available rates of exchange (rounded) against four key currencies on Monday 15 August 1988. In some cases the rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Table with columns for Country, Unit, and Exchange Rate against US \$, D-MARK, and Yen. Lists various countries and their respective currencies and rates.

Abbreviations: (a) Free rate; (b) Base rate; (c) Commercial rate; (d) Controlled rate; (e) Essential imports; (f) Parallel rate; (g) Export; (h) Non-commercial rate; (i) Business rate; (j) Buying rate; (k) Lending rate; (l) Market rate; (m) Official rate; (n) Government rate; (o) Convertible rate; (p) Tourist rate; (q) Some data supplied by Bank of America, London. Trading hours: Singapore 01.00-03.00, Hong Kong 01.00-03.00, Sydney 01.00-03.00, Tokyo 01.00-03.00.

TRADE INDEMNITY CREDIT RISK MANAGEMENT SERVICES 01-739-9939

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CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Sterling heads the drama

STERLING MOVED towards the centre of the stage yesterday, but mainly because players in the drama involving the dollar and D-Mark had decided to call for a short interval.

The dollar traded very quietly, with dealers content to add little ahead of today's US trade figures.

The D-Mark has tended to dominate dollar related movements of late, and has been more volatile than the Japanese yen.

US trade figures for June, released today, may provide the catalyst deciding whether the dollar moves back above DM1.80, and attacks further resistance at DM1.8500.

On the downward side there is a major support point at DM1.8730, which just about held yesterday.

The dollar was slightly firmer against the yen to close, at Y133.25, compared with Y133.10. It also rose to SF1.6705 from SF1.6700.

On Bank of England figures, the dollar's index rose to 99.3 from 99.1.

The US trade deficit in July is expected to be about \$1.5bn, compared with \$1.0bn in May.

A figure of less than \$1bn will be £ in new york

STERLING INDEX

Table showing Sterling Index values for various currencies and dates.

FINANCIAL FUTURES

UK sales & output disappoint

STERLING INTEREST rate contracts weakened on Liffe yesterday, following disappointing UK economic news.

Short sterling futures, for September delivery, closed at the days low of 85.51, compared with 85.78 on Friday.

Both contracts were at their peaks around the opening, but then weakened on news that UK retail sales rose very sharply by 2.0 p.c. in July.

It was also announced that June UK industrial production fell 0.85 p.c., against expectations of a 0.2 p.c. rise.

A CBI/FIP survey on retail sales in August, published yesterday, pointed to continued buoyant demand in August.

The implications appear to be that for Thursday's bank lending figures, and for the UK trade figures later this month.

The pound lost ground on news that UK retail sales were very strong in July, but UK industrial production fell in June.

Sterling fell 1/2 cent to \$1.7125, it also declined to DM3.2200 from DM3.2250, and rose to SF2.7035 from SF2.7000.

According to the Bank of England, the pound's index rose to 77.0 from 76.9.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European Currency Unit Rates for various currencies.

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EUROPEAN OPTIONS EXCHANGE

Table showing European Options Exchange data for various series.

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MONEY MARKETS

UK rates firm

INTEREST RATES rose in London yesterday as financial markets took an unfavourable view of the sharp rise in UK retail sales and a fall in industrial production.

This rather disturbing news came only a few days before the July bank lending figures, which are also expected to cause concern about the health of the UK economy.

Three-month interbank rate rose to 11 1/2 p.c. from 11 1/4 p.c. The Bank of England initially forecast a money market shortage of £350m but revised this to £400m at noon, and to £300m in the afternoon.

Before lunch the authorities bought £210m bills outright, by way of £250m bank bills in band 3 at 10 1/4 p.c. and £170m bank bills in band 4 at 10 1/4 p.c.

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FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trust, Abnott Management Ltd, and others, including their names and brief descriptions.

Table listing unit trusts under the heading 'Abnott Management Ltd' and 'Abnott Unit Trusts Ltd', detailing their investment focus and performance.

Table listing unit trusts under the heading 'Abnott Unit Trusts Ltd' and 'Abnott Management Ltd', providing further details on their structures and investments.

Table listing unit trusts under the heading 'Abnott Management Ltd' and 'Abnott Unit Trusts Ltd', continuing the list of investment vehicles.

Table listing unit trusts under the heading 'Abnott Management Ltd' and 'Abnott Unit Trusts Ltd', detailing their respective investment strategies.

Table listing unit trusts under the heading 'Abnott Management Ltd' and 'Abnott Unit Trusts Ltd', providing information on their management and fees.

Table listing unit trusts under the heading 'Abnott Management Ltd' and 'Abnott Unit Trusts Ltd', detailing their investment performance metrics.

Table listing unit trusts under the heading 'Abnott Management Ltd' and 'Abnott Unit Trusts Ltd', providing a comprehensive overview of their offerings.

IG INDEX LTD 9-11 GROSVENOR GARDENS, LONDON SW1W 0BD

Prices taken at 5pm and change is from previous close at 9pm

Table with columns for 'JOTTER PAD' and 'CROSSWORD', containing a grid for a crossword puzzle.

CROSSWORD No. 6709 Set by FRESKA

Grid for a crossword puzzle with numbered squares and empty spaces for letters.

- List of crossword clues including: 1 French town with accommodation for jolly operative hermits (6), 4 Dance group led by girl (8), 10 A nasty bloke the lady had eradicated (9), etc.

Solution to Puzzle No. 6708: THE UNINTERESTING, THE MAIN, THE GENERATOR, etc.

FOR THE WEEK END - THE FT UNIT TRUST INFORMATION SERVICE

Table listing unit trusts under the heading 'FOR THE WEEK END', detailing their investment focus and performance.

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GUIDE TO UNIT TRUST PRICING

Text explaining the pricing of unit trusts, including details on bid prices, offer prices, and the role of the FT Unit Trust Information Service.

FT UNIT TRUST INFORMATION SERVICE

Main table containing unit trust information with columns for Name, Price, and other details. Includes sub-sections for 'INSURANCES' and 'OTHER UK UNIT TRUSTS'.

INSURANCES

OTHER UK UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

Main table containing unit trust information, organized into columns for various categories like 'Property & Equity', 'Fixed Income', 'International', etc. Each entry includes the fund name, manager, and performance metrics.

MANAGEMENT SERVICES

Table listing management services provided by various firms, including names like 'David M. Adams' and 'The Analytic Group PLC'.

OFFSHORE AND OVERSEAS

Table listing offshore and overseas investment options, including 'UK LISTED' and 'OFFSHORE INSURANCES'.

Handwritten signature or mark at the bottom center of the page.

FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

Table of FT Unit Trust Information Service, listing various unit trusts with columns for Name, Price, and Yield.

Table of London Share Service, including sections for British Funds, Foreign Bonds & Rails, and Money Market Trust Funds.

OTHER OFFSHORE FUNDS

Table of Other Offshore Funds, listing various international investment funds.

Money Market Trust Funds

Table of Money Market Trust Funds, listing various short-term investment funds.

Money Market Bank Accounts

Table of Money Market Bank Accounts, listing various high-interest bank accounts.

LONDON SHARE SERVICE

AMERICANS - Contd

Table with columns: 1984, 1983, Stock, Price, % Chg, Div, Yield, P/E. Includes companies like Texas Instruments, Intel, and Motorola.

CANADIANS

Table with columns: 1984, 1983, Stock, Price, % Chg, Div, Yield, P/E. Includes companies like Alcan, Inco, and Northern Telecom.

BANKS, HP & LEASING

Table with columns: 1984, 1983, Stock, Price, % Chg, Div, Yield, P/E. Includes companies like Citicorp, Citicorp Bank, and Citicorp Leasing.

BUILDING, TIMBER, ROADS - Contd

Table with columns: 1984, 1983, Stock, Price, % Chg, Div, Yield, P/E. Includes companies like Bovis Lend Lease and Bovis Lend Lease.

CHEMICALS, PLASTICS

Table with columns: 1984, 1983, Stock, Price, % Chg, Div, Yield, P/E. Includes companies like ICI, Shell Chemicals, and Shell Chemicals.

DRAPERY AND STORES

Table with columns: 1984, 1983, Stock, Price, % Chg, Div, Yield, P/E. Includes companies like Debenhams and Debenhams.

ELECTRICALS

Table with columns: 1984, 1983, Stock, Price, % Chg, Div, Yield, P/E. Includes companies like British Telecom and British Telecom.

ENGINEERING - Contd

Table with columns: 1984, 1983, Stock, Price, % Chg, Div, Yield, P/E. Includes companies like BAE Systems and BAE Systems.

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Table with columns: 1984, 1983, Stock, Price, % Chg, Div, Yield, P/E. Includes companies like BAE Systems and BAE Systems.

ENGINEERING - Contd

Table with columns: 1984, 1983, Stock, Price, % Chg, Div, Yield, P/E. Includes companies like BAE Systems and BAE Systems.

INDUSTRIALS (Misc.) - Contd

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Table with columns: 1984, 1983, Stock, Price, % Chg, Div, Yield, P/E. Includes companies like BAE Systems and BAE Systems.

BEERS, WINES & SPIRITS

Table with columns: 1984, 1983, Stock, Price, % Chg, Div, Yield, P/E. Includes companies like Carlsberg and Carlsberg.

BUILDING, TIMBER, ROADS

Table with columns: 1984, 1983, Stock, Price, % Chg, Div, Yield, P/E. Includes companies like Bovis Lend Lease and Bovis Lend Lease.

INSURANCES

Table with columns: 1984, 1983, Stock, Price, % Chg, Div, Yield, P/E. Includes companies like Aviva and Aviva.

INDUSTRIALS (Misc.)

Table with columns: 1984, 1983, Stock, Price, % Chg, Div, Yield, P/E. Includes companies like BAE Systems and BAE Systems.

HOTELS AND CATERERS

Table with columns: 1984, 1983, Stock, Price, % Chg, Div, Yield, P/E. Includes companies like Whitbread and Whitbread.

INDUSTRIALS (Misc.)

Table with columns: 1984, 1983, Stock, Price, % Chg, Div, Yield, P/E. Includes companies like BAE Systems and BAE Systems.

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Handwritten text in Arabic script at the bottom of the page.

LONDON SHARE SERVICE

LEISURE - Contd. Table listing various leisure companies like Leisure World, Leisure Time, etc. with columns for stock price, dividends, and P/E ratios.

PAPER, PRINTING, ADVERTISING - Contd. Table listing companies in the paper and printing industry like Paper Direct, etc.

TEXTILES - Contd. Table listing textile companies like Textiles International, etc.

TRUSTS, FINANCE, LAND - Contd. Table listing trusts and financial institutions like Trusts, etc.

OIL AND GAS - Contd. Table listing oil and gas companies like Oil & Gas, etc.

MINES - Contd. Table listing mining companies like Mines, etc.

MOTORS, AIRCRAFT TRADES Table listing motor and aircraft related companies like Motors, etc.

PROPERTY Table listing property-related companies like Property, etc.

TOBACCO Table listing tobacco companies like Tobacco, etc.

TRUSTS, FINANCE, LAND Table listing trusts and financial institutions like Trusts, etc.

OVERSEAS TRADERS Table listing overseas trading companies like Overseas Traders, etc.

THIRD MARKET Table listing third market companies like Third Market, etc.

NEWSPAPERS, PUBLISHERS Table listing newspaper and publishing companies like Newspapers, etc.

PROPERTY Table listing property-related companies like Property, etc.

FINANCE, LAND, ETC Table listing finance and land related companies like Finance, etc.

PLANTATIONS Table listing plantation companies like Plantations, etc.

MINES Table listing mining companies like Mines, etc.

NOTES Table containing various financial notes and market information.

PAPER, PRINTING, ADVERTISING Table listing paper and printing companies like Paper, etc.

SHIPPING Table listing shipping companies like Shipping, etc.

FINANCE, LAND, ETC Table listing finance and land related companies like Finance, etc.

DIAMOND AND PLATINUM Table listing diamond and platinum companies like Diamond, etc.

FINANCE Table listing financial institutions like Finance, etc.

REGIONAL & IRISH STOCKS Table listing regional and Irish stocks like Regional, etc.

PAPER, PRINTING, ADVERTISING Table listing paper and printing companies like Paper, etc.

SHOES AND LEATHER Table listing shoe and leather companies like Shoes, etc.

SHIPPING Table listing shipping companies like Shipping, etc.

OIL AND GAS Table listing oil and gas companies like Oil, etc.

FINANCE Table listing financial institutions like Finance, etc.

TRADITIONAL OPTIONS Table listing traditional options like Traditional, etc.

PAPER, PRINTING, ADVERTISING Table listing paper and printing companies like Paper, etc.

SOUTH AFRICANS Table listing South African companies like South Africans, etc.

TEXTILES Table listing textile companies like Textiles, etc.

OIL AND GAS Table listing oil and gas companies like Oil, etc.

FINANCE Table listing financial institutions like Finance, etc.

PROPERTY Table listing property-related companies like Property, etc.

Regional & Irish Stocks section containing detailed information about various regional and Irish stocks, including company names, prices, and market data.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns: EQUITY GROUPS & SUB-SECTIONS, Monday August 15 1988, Fri Aug 12, The Aug 11, Wed Aug 10, Year ago (approx). Rows include CAPITAL GOODS (209), Building Materials (29), Contractors, Construction (37), etc.

Table with columns: FIXED INTEREST, AVERAGE GROSS REDEMPTION YIELDS, Mon Aug 15, Fri Aug 12, Year ago (approx.). Rows include PRIME INDICES, British Government, 5 years, 5-15 years, etc.

1 Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London EC4A 3DF, price 15p, by post 32p.

RISES AND FALLS YESTERDAY

Table with columns: Rises, Falls, Same. Rows include British Funds, Corporate, Dominion and Foreign Bonds, Financial and Property, etc.

LONDON RECENT ISSUES

Table with columns: Issue, Amount, Latest, 1988, Stock, Closing Price. Rows include EQUITIES, Fixed Interest Stocks, etc.

FIXED INTEREST STOCKS

Table with columns: Issue, Amount, Latest, 1988, Stock, Closing Price. Rows include 100p, 50p, 25p, etc.

RIGHTS OFFERS

Table with columns: Issue, Amount, Latest, 1988, Stock, Closing Price. Rows include 100p, 50p, 25p, etc.

TRADITIONAL OPTIONS

Table with columns: Issue, Amount, Latest, 1988, Stock, Closing Price. Rows include 100p, 50p, 25p, etc.

LONDON TRADED OPTIONS

Large table with columns: Option, Calls, Puts, etc. Rows include Allied Lines, Brit. Airways, etc.

Dares Estates plc advertisement. Placing and Offer to Shareholders of 25,775,404 7.75 per cent convertible cumulative redeemable preference shares of £1 each at par.

THE NETHERLANDS advertisement. The Financial Times proposes to publish this survey on: 10th October 1988.

UK BANKING advertisement. The Financial Times proposes to publish this survey on: 26th September.

Are you globally competitive? advertisement. These Columbia Executive programs provide managers with a systematic framework for formulating and implementing effective, proactive strategies.

NOTICE OF RESIGNATION AND APPOINTMENT. NOTICE IS HEREBY GIVEN of the resignation of Manufacturers Hanover Bank Luxembourg S.A. (now Bankers Trust Luxembourg S.A.)

Electricity Generating Authority of Thailand. Guaranteed Floating Rate Notes Due 1988/1991. Unconditionally guaranteed as to payment of principal and interest by the Ministry of Finance of the Kingdom of Thailand.

DAVID REED on 01-248 8000 ext 3461 or write to him at: Bracken House 10 Cannon Street London EC4P 4BY

NOTICE TO HOLDERS OF BORG-WARNER ACCEPTANCE CORPORATION. Name changed to TRANSAMERICA COMMERCIAL FINANCE CORPORATION. 5% Notes Due 1991 ("Notes")

Taiyo Kobe Finance Hongkong Limited. U.S. \$100,000,000 Guaranteed Floating Rate Notes due 1997. The Taiyo Kobe Bank, Limited.

The Export-Import Bank of Korea. U.S. \$100,000,000 Floating Rate Notes due August 1990.

DAVID REED on 01-248 8000 ext 3461 or write to him at: Bracken House 10 Cannon Street London EC4P 4BY

TRANSAMERICA COMMERCIAL FINANCE CORPORATION (formerly Borg-Warner Acceptance Corporation). A meeting of the holders of the Notes was convened on August 12, 1988 at 10:00 a.m. local time, at the office of Transamerica Finance Corporation ("TCFC")

Markets fall ahead of US trade data

THE UK equity market suddenly lost its nerve yesterday after uncomfortable statistics on the domestic economy provided a gloomy curtain-raiser to publication today of the US trade figures for June, over which London markets have been showing increasing apprehension.

Price Index. To add to the trading uncertainty, many Continental bourses were closed yesterday. Sentiment was dented by a Confederation of British Industry/Financial Times survey indicating continuing strong growth in retail sales.

The FT-SE Index tumbled through its nearest support level of 1838 and then extended its loss when Wall Street also opened on the downward tack. With the FT-SE futures contract at a 12 point discount, the equity market looked very ragged at the close.

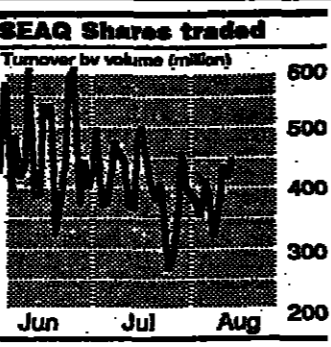
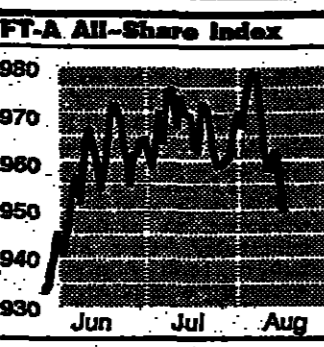
Government bonds closed lower, although the mood was described as "not bad, despite some real worry over the massive rise in July's retail sales". Short-dated Gilts, backing away from higher short term rates in London, lost about 1/2 point. Longer dates were a point off at mid-session but rallied to end a net 1/4 lower.

Table with columns: Index, Aug 15, Aug 16, Aug 17, Aug 18, Aug 19, Year Ago, High, Low, 1988, Since Completion. Rows include Government Secs, Fixed Interest, Ordinary, Gold Mines, Ord. Div. Yield, P/E Ratio, SEAG Bargains, Equity Turnover, Equity Bargains, Shares Traded.

Table with columns: Index, Aug 15, Aug 16, Aug 17, Aug 18, Aug 19, Year Ago, High, Low, 1988, Since Completion. Rows include S.E. ACTIVITY, Gilt Edged Bargains, Equity Bargains, 5-Day Average, Gilt Edged Bargains, Equity Bargains, Equity Value.

S&N bid hopes continue

Speculation that Elders IXL of Australia is about to bid for Scottish & Newcastle (S&N), the Edinburgh-based brewer, refused to go away. With one financial commentator predicting that the offer would be pitched between 450p and 500p, S&N shares rose up to 374p in early trading, before backing off to 360p by the close.



have been good news for us but the market simply flourished, dragging us down with it" commented one trader in the sector. Retailers subdued. At the close the leaders were virtually all showing minor falls.

quoted second instalment paid and ex-dividend on August 22. Shell held up well to close only 7 off at 1019p. But the securities house Hoare's is now recommending a change of stance for its clients from underweight to overweight in the oil majors.

been largely carried out early on via inter-broker dealer screens, but was said to have eased off later in the session. Composites showed Commercial Union particularly under pressure, falling 7 lower at 355p ex-dividend. General Accident dropped 10 to 902p, after 895p. Royals, ahead of Thursday's interims - forecasts range from 1140m to 1160m held around 394p.

news of the acquisition of Satellite Technology Systems from TVS Entertainment. Amerham, boosted recently by a reaction of 12 to 60p but following news that the Snowcroft bid had been declared unconditional. Rentokil, scheduled to reveal interim figures on Thursday, held steady at 206p. BZW, the securities house, is looking for half-year profits of around £22m and expects the full year figure to increase by some 22 per cent to around £46m.

TRADING VOLUME IN MAJOR STOCKS

Table with columns: Stock, Value, Daily Price Change, Buy/Sell, Stock, Value, Daily Price Change, Buy/Sell. Lists various stocks like BHP, BP, ICI, etc.

level of 27 1/2, but Pavilion Leisure slipped 15 to 310p on occasional profit-taking. Armstrong Equipment wilted late to end 21 lower at 120p on the discovery, at a major UK manufacturing plant, of stock and stock-related discrepancies which will significantly affect results for the year.

Blue Arrow busy

It was another busy trading session for Blue Arrow, the international employment agency, which again topped the list of the most actively traded stocks. Volume at 88m easily surpassed Friday's 80m as the market digested last Friday's sharply downgraded profit forecasts from two London securities houses.

NEW HIGHS AND LOWS FOR 1988

NEW HIGHS (1) BENTON & BOWLES (1) Ltd. New. (2) BENTON & BOWLES (1) Ltd. New. (3) BENTON & BOWLES (1) Ltd. New. (4) BENTON & BOWLES (1) Ltd. New. (5) BENTON & BOWLES (1) Ltd. New.

APPOINTMENTS

ANGLIAN DAILY TIMES COMPANY, Ipswich, is setting up his own business consultancy from the end of August, but will remain a director of the parent company, Eastern Counties Newspapers, Norwich.

Today, your securities have to swim in international waters.

If your securities are going to glide smoothly through the world's markets, today you will need global support services delivered by an institution that is at home in those waters.

Advertisement for Bankers Trust Company. Features a large illustration of a dolphin swimming in the ocean. Text includes: 'Today, your securities have to swim in international waters.', 'If your securities are going to glide smoothly through the world's markets, today you will need global support services delivered by an institution that is at home in those waters.', 'For many trustees and paying agents, the world begins and ends with Eurobonds. Beyond that, it is all reefs and shoals.', 'Bankers Trust has more on-the-spot expertise in multi-currency securities, in local payment practices, in the whole ocean of overseas complexities. And nobody handles them with a more relentless emphasis on quality.', 'We have our own dedicated Corporate Trust and Agency groups in London, Luxembourg, New York, San Francisco and Hong Kong.', 'And when you deal with Bankers Trust, you know you are dealing with a professional team of specialists.', 'Today, we service over \$300 billion in securities in 43 countries. A call to Ed Greene on (01) 382 2855 may well make you want to add your securities to that total. With us to support you, you'll get along swimmingly.', 'Bankers Trust Company', 'Corporate Trust and Agency Group: London Luxembourg New York San Francisco Hong Kong'.

Managing director of Shearson Lehman

SHEARSON LEHMAN HUTTON INTERNATIONAL has appointed Mr Henry C. Alexander as managing director, chief operating officer - Europe. He was with Salomon Brothers.

Mr Warren North has been appointed to the board of ESI ELECTRONICS, Poole, as marketing director.

Mr Warren North has been appointed to the board of ESI ELECTRONICS, Poole, as marketing director. He was head of sales and marketing.

Mr Martin Baudel (above) has been appointed group finance director of the LESSER GROUP.

Mr Martin Baudel (above) has been appointed group finance director of the LESSER GROUP. He was finance director of the Shield Group.

SCOTTFRESH has appointed Mr Ronald Forwell (above) as financial director.

SCOTTFRESH has appointed Mr Ronald Forwell (above) as financial director. He was acting managing director and company secretary of Scintromix.

Mr Bernard Friend, a member of the British Aerospace board, has been appointed to the ROVER GROUP board. Mr Charles Bowen has been appointed an executive director of HILLSDOWN HOLDINGS, with responsibility for the group's food processing companies in the UK. He was president of the meals division and group vice president of General Foods, U.S.A. Mr Malcolm (Colman) Begg has been promoted to operations director of the PORT OF FELIXSTOWE. He was operations manager.

COMMODITIES AND AGRICULTURE

Chicago grain futures move sharply higher

By Deborah Hargreaves in Chicago

GRAIN FUTURES prices on the Chicago Board of Trade moved sharply higher yesterday after a brief sell-off on Friday. Soybean prices were mostly up the 20 cents daily limit at the close, with the September position at \$8.76 a bushel. Maize prices were generally up the 10 cents-a-bushel limit.

Moreover, traders are predicting a buoyant market for most of the week as hot weather continues to scorch Midwest cropland and the full extent of drought damage on the US harvest is absorbed.

Taiwan curbs gold appetite

By Kenneth Gooding

TAIWAN WOULD probably stay out of the bullion market until at least after the Sino-US trade talks, scheduled to start on August 29, W.I. Carr, the London stockbroker, said.

Africans urged to boost coffee quality

AFRICAN COFFEE-producers have been urged by the head of the Inter-African Coffee Organisation to improve farming techniques to boost yields and improve quality, reports Reuters from Nairobi.

funds on Friday but they are all back in there buying again. After a sweltering weekend in the Midwest and with the short-range forecast predicting little rain before the month's end, grain markets were showing more strength.

The hot weather can still further damage the US soybean crop, which is still at the pod-forming stage. The USDA report has already estimated a 23 per cent fall in this year's crop, to 1.47bn bushels, the lowest since 1976.

Zircon ship loss 'sends users into a frenzy'

By Kenneth Gooding, Mining Correspondent

THE LOSS of a ship carrying 13,000 tonnes of zircon, about 1.7 per cent of annual world consumption, had sent some European users into a frenzy, said Mr Euan Worthington, mining research head at Warburg Securities.

Harvest brings nostalgic thoughts

FARMER'S VIEWPOINT

It was not always thus. I well remember driving my first combine 50 years ago. There were no cabs to protect the driver. I toggled up in old pyjamas to protect my working clothes, covered my face with muslin to avoid breathing in dust from the threshing-run and wore goggles to keep out most chaff.

1.3bn bushels for this year's soybean output. The weather is also losing some of its sway on the sensitive grain markets, with traders looking carefully at demand levels.

Wheat futures could emerge as price-leader for grains in coming weeks after the department's report highlighted the tight situation in stocks and supply.

Venezuelan bauxite mine advances

Joe Mann on moves towards a fully integrated aluminium industry

THE VENEZUELAN Government is making considerable progress with the development of a bauxite mine carved from Bolivar state's jungle about 300 miles (500km) south of Caracas.

World Commodities Prices

Table with columns for various commodities like Wheat, Soybeans, Coffee, etc., and their prices in different markets.

Worburg said leading producers were Consolidated Bauxite, with output of 25,000 tonnes a year, Westralian Sands, 47,000 tonnes, and Renison Goldfields, 250,000 tonnes.

The lost shipment belonged to Renison and accounted for about 5 per cent of its annual output. It was fully insured.

US Markets

EXPECTATIONS of further very hot weather with only light scattered rains led to a strong opening in the grains market.

Chicago

Table showing Chicago market prices for various commodities like Soybeans, Maize, etc.

Interalumina, with installed output capacity of 1m tonnes a year, imports most bauxite it needs to supply smelters. It also exports output.

Interalumina is a joint venture between the Venezuelan Government, the majority partner, and Aluniss - is expanding to an output capacity of 2m tonnes a year, with further increments scheduled to meet primary-

London Markets

ZINC DEFIED a generally easier tendency on the London Metal Exchange yesterday to reach the highest level for seven weeks. As a new assault was mounted on the \$1,280 resistance level for three months' metal, the weak price climbed \$1.50 to \$772.00.

New York

Table showing New York market prices for various commodities like Gold, Silver, etc.

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WORLD STOCK MARKETS

Table of stock market data for various countries including Austria, France, Germany, Netherlands, and Switzerland. Columns include stock names, prices, and changes.

Table of stock market data for Canada, listing various Canadian stocks and their performance metrics.

Table of stock market data for Japan, listing Japanese stocks and their market values.

OVER-THE-COUNTER

Table of over-the-counter market data, including Nasdaq national market and 2pm prices for August 15.

INDICES

Table of financial indices including Dow Jones, Standard and Poors, and various regional indices for New York, Toronto, and other markets.

Advertisement for 'Travelling by air on business?' featuring British Airways, British Midland, and other airlines.

Advertisement for 'TOKYO - Most Active Stocks' listing various Japanese stocks and their prices.

Advertisement for 'Have your F.T. hand delivered in France' offering 12 free issues of the Financial Times.

Advertisement for 'Travelling on Business in Italy?' featuring travel services and hotel recommendations.

3pm prices August 15

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

12 Month				12 Month				12 Month				12 Month				12 Month				12 Month																							
High	Low	Stk	Chg	High	Low	Stk	Chg	High	Low	Stk	Chg	High	Low	Stk	Chg	High	Low	Stk	Chg	High	Low	Stk	Chg	High	Low	Stk	Chg	High	Low	Stk	Chg												
27 1/4	27 1/8	AAR	+2 1/8	27 1/4	27 1/8	AAR	+2 1/8	27 1/4	27 1/8	AAR	+2 1/8	27 1/4	27 1/8	AAR	+2 1/8	27 1/4	27 1/8	AAR	+2 1/8	27 1/4	27 1/8	AAR	+2 1/8	27 1/4	27 1/8	AAR	+2 1/8	27 1/4	27 1/8	AAR	+2 1/8	27 1/4	27 1/8	AAR	+2 1/8								
10 1/4	10 1/4	ACME	0	10 1/4	10 1/4	ACME	0	10 1/4	10 1/4	ACME	0	10 1/4	10 1/4	ACME	0	10 1/4	10 1/4	ACME	0	10 1/4	10 1/4	ACME	0	10 1/4	10 1/4	ACME	0	10 1/4	10 1/4	ACME	0	10 1/4	10 1/4	ACME	0	10 1/4	10 1/4	ACME	0	10 1/4	10 1/4	ACME	0
10 1/2	10 1/2	AGC	0	10 1/2	10 1/2	AGC	0	10 1/2	10 1/2	AGC	0	10 1/2	10 1/2	AGC	0	10 1/2	10 1/2	AGC	0	10 1/2	10 1/2	AGC	0	10 1/2	10 1/2	AGC	0	10 1/2	10 1/2	AGC	0	10 1/2	10 1/2	AGC	0	10 1/2	10 1/2	AGC	0	10 1/2	10 1/2	AGC	0
3 3/4	3 3/4	AM	0	3 3/4	3 3/4	AM	0	3 3/4	3 3/4	AM	0	3 3/4	3 3/4	AM	0	3 3/4	3 3/4	AM	0	3 3/4	3 3/4	AM	0	3 3/4	3 3/4	AM	0	3 3/4	3 3/4	AM	0	3 3/4	3 3/4	AM	0	3 3/4	3 3/4	AM	0	3 3/4	3 3/4	AM	0
1 3/4	1 3/4	AMP	0	1 3/4	1 3/4	AMP	0	1 3/4	1 3/4	AMP	0	1 3/4	1 3/4	AMP	0	1 3/4	1 3/4	AMP	0	1 3/4	1 3/4	AMP	0	1 3/4	1 3/4	AMP	0	1 3/4	1 3/4	AMP	0	1 3/4	1 3/4	AMP	0	1 3/4	1 3/4	AMP	0				

Continued on Page 35

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NYSE COMPOSITE PRICES

Main table of NYSE composite prices, including columns for stock symbols, prices, and changes.

AMEX COMPOSITE PRICES

Table of AMEX composite prices, including columns for stock symbols, prices, and changes.

OVER-THE-COUNTER

Table of over-the-counter market prices, including columns for stock symbols, prices, and changes.

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